CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—THIRTIETH PARLIAMENT

25 Elizabeth II

VOLUME XI, 1976

COMPRISING THE PERIOD FROM THE SIXTEENTH DAY OF FEBRUARY, 1976,
TO THE TWENTY-SECOND DAY OF MARCH, 1976, INCLUSIVE

INDEX ISSUED IN A SEPARATE VOLUME

Published under the authority of the Speaker of the House of Commons by the Queen's Printer for Canada

Available from Printing and Publishing, Supply and Services, Ottawa, Canada K1A 0S9

21419–1½

HOUSE OF COMMONS

Monday, February 16, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

SPORTS

CONGRATULATIONS TO MISS KREINER ON WINNING GOLD MEDAL AT WINTER OLYMPICS—MOTION UNDER S.O. 43

Mr. Jean-R. Roy (Timmins): Mr. Speaker, I wish to move a motion with the unanimous approval of the House pursuant to Standing Order 43 on a matter of urgent and pressing necessity. Following the tremendous achievement of Miss Kathy Kreiner of Timmins, at the Winter Olympics, and because her success for Canada seriously challenges our Canadian humility, I move, seconded by the hon. member for Vaudreuil (Mr. Herbert):

That through you, Mr. Speaker, this House express its great admiration for Kathy's ability, courage and dedication, and that this House honour Kathy for her remarkable success, by acknowledging her contribution to the glory of Canada and our athletes.

Some hon. Members: Hear, hear!

Mr. Speaker: The motion in accordance with the terms of the standing order can be presented only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Some hon. Members: Hear, hear!

* * *

ANTI-INFLATION BOARD

REQUEST FOR DELAY IN OPERATION OF ADMINISTRATOR'S ORDER IN IRVING CASE PENDING ESTABLISHMENT OF APPEAL PROCEDURE—MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a motion under Standing Order 43 under circumstances of urgent and pressing necessity which do not require expansion on my part. I would therefore move, if unanimous consent is given, seconded by the hon. member for Grenville-Carleton (Mr. Baker) that:

This House requests the Governor-in-Council, acting under the provisions of Section 24 of the Anti-inflation Act, to vary his order pursuant to Section 22 to include reasons for the decision to allow an intelligent consideration of the question of appeal procedure and to delay the operation of the order until appeal procedures have been published.

Mr. Speaker: Order, please. Such a motion can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FOOD PRICES

PROPOSED FREEZE PENDING ACTION ON REVIEW BOARD STUDY—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity, namely the findings of a study commissioned by the Food Prices Review Board that Canadians are paying from 4 to 7 per cent too much for food because of declining competition and corporate concentration in the retail food business. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House urge the government to impose an immediate freeze on the retail price of food until it has time to take permanent action based upon the findings of the study.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 the motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

* * *

[*Translation*]

ANTI-INFLATION BOARD

REQUEST THAT CHAIRMAN AND ADMINISTRATOR EXPLAIN DECISION IN IRVING CASE—MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, pursuant to Standing Order 43, I request unanimous consent of the House to move a motion dealing with an extremely urgent matter requiring our immediate attention.

As the recent decision of the Anti-Inflation Board, condemning the Irving Company to a $125,000 fine for having wanted to share its profits with its employees by increasing their salaries, is immoral, repugnant and unacceptable; as that ruling will allow companies to increase their profits without sharing them with their employees under the pretext that they will be fined for so doing, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

Anti-Inflation Board

That this House order the chairman and administrator of the Anti-Inflation Board to appear before it or one of its standing committees to justify their decision in the case of the Irving company which decision is an insult to all Canadian workers.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Pursuant to Standing Order 43, the motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: As there is not unanimous consent, the motion cannot be put.

* * *

● (1410)

[*English*]

AIR CANADA

SUGGESTED IMPLEMENTATION OF ESTEY REPORT AND APPOINTMENT OF CHAIRMAN—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. Considering the many weeks since the report of Chief Justice Estey regarding Air Canada was tabled, reflecting upon the many weeks since the resignation of the chief executive officer of Air Canada, and remembering that the last annual report of Air Canada which members of parliament have been able to peruse and question in committee with Air Canada officials was for the year 1972, I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That the Minister of Transport cease acting like the Prime Minister's pet rock and instead bring forth legislation to implement at least some of the recommendations of the Estey report and expedite the immediate appointment of an executive officer to take responsibility for Air Canada, and that the standard or criterion not be one of language, religion, or any other consideration save capability for the task.

Mr. Speaker: The motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ANTI-INFLATION BOARD

REQUEST FOR STUDY AND ACTION BY BOARD ON FOOD PRICES REVIEW BOARD STUDY OF FOOD PRICES—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a motion under Standing Order 43. It has to do with the report of the Food Prices Review Board which shows that Canadians are paying anywhere from 4 per cent to much more for food because of concentration and lack of competition in the retail food industry. Therefore, I move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

[Mr. Caouette (Villeneuve).]

That this House call upon the Anti-Inflation Board to immediately examine the findings of a report commissioned by the Food Prices Review Board into concentration and the lack of competition in the retail food industry, and the report conclusion that this lack of competition results in food prices that are anywhere from 4 per cent to 7 per cent too high, and further, that if these findings are substantiated, the supermarkets be directed to roll back prices forthwith.

Mr. Speaker: The motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AGRICULTURE

REQUEST FOR CLARIFICATION OF STATEMENTS CONCERNING COMMITMENTS UNDER CROP INSURANCE LEGISLATION—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Mr. Speaker, pursuant to Standing Order 43 I ask the unanimous consent of the House to introduce a motion on an important matter to the agricultural industry in Canada. In view of the statement of the President of the Treasury Board in December, 1975 that there would be a $10.1 million reduction in federal contributions to crop insurance, and according to provincial agreements neither side can unilaterally change its contribution to the program without having given five year's notice, I move, seconded by the hon. member for Okanagan Boundary (Mr. Whittaker):

That this House request that the President of the Treasury Board and the Minister of Agriculture be called before the Standing Committee on Agriculture immediately, the former to be questioned as to this statement, and the latter as to his commitments under existing crop insurance legislation, and to explain their positions.

Mr. Speaker: The motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

RECOGNITION OF THIRTY-FIVE YEARS OF SERVICE BY ASSISTANT DEPUTY SERGEANT-AT-ARMS

Mr. Speaker: I know all hon. members will join me in taking a moment before beginning the oral question period. I wish to call to the attention of all hon. members that this afternoon the Mace was carried into the chamber by the Assistant Deputy Sergeant-At-Arms who celebrates 35 years of service to the House of Commons and who is retiring on this day after that rather splendid and outstanding record. Mr. Jean-Gaston Angrignon is in this chamber at the moment, and I know all members would like to recognize that fact.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

ANTI-INFLATION BOARD

REQUEST FOR APPEAL PROCEDURE WHICH WOULD NOT NECESSITATE INDICATION OF UNWILLINGNESS TO COMPLY WITH BOARD ORDER

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance arising out of the apparent situation that no appeal can be launched against a ruling of the Anti-Inflation Board unless that party risks the defiance of a ruling of the board or the administrator. In order to preserve something like a traditional approach to law, and therefore necessary respect for the program itself, is the government by amendment, administrative order or some other way prepared to assure the right of a direct appeal of board rulings without the necessity of a party defying the board before such an appeal can be launched?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the chairman of the Anti-Inflation Board has made it clear that in a situation where the board arrives at an opinion with respect to either a price or a compensation settlement, the opinion being that they would exceed the guidelines, and the parties indicate that it would not be their intention to abide by that opinion, the chairman of the board would make an early reference of that matter to the administrator for the purpose of the administrator's determination. Of course, the decision of the administrator in that regard can, if any affected party wishes, be appealed through the procedure laid down by the Act.

Mr. Stanfield: Why is it necessary for the government, through the board, to encourage parties to a collective agreement, for example, to indicate they are not going to comply with the board ruling before they can appeal to a higher authority? In what way does it encourage support for the program, and for what reason is it necessary for a party to a dispute to indicate defiance or refusal to accept a ruling of the board before an appeal can be launched?

Mr. Macdonald (Rosedale): The hon. gentleman has it exactly the opposite way around. The encouragement on the part of the government, the Anti-Inflation Board and I hope on the part of all right thinking Canadians is that the guidelines which have been set out should be complied with, and that therefore where parties have submitted to the board either a price change or a compensation decision upon which the board has rendered a decision, the emphasis is that the parties should comply rather than the opposite.

Mr. Stanfield: Why in this democracy in the year 1976 is it not possible for a party in a dispute to appeal a ruling without indicating that the ruling is unacceptable and will not be complied with? The Minister of Finance indicates that it is only where a party to a dispute or both parties to a settlement indicate they will not comply with the board's ruling that such a matter will be referred by the Anti-Inflation Board. In what sense is that position necessary? In what sense does that help fight inflation in this country?

Mr. Macdonald (Rosedale): As I indicated, if a party does not agree with a decision of the board, then the board will refer the matter for the decision of the administrator. This does not necessarily indicate non-compliance on the part of the parties. Just to put it in the context of the normal judicial procedure, parties who are satisfied with the outcome of litigation normally do not appeal.

REQUEST THAT REASONS BE GIVEN WHEN DECISION RENDERED

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a supplementary question for the minister. In light of the fact that the ultimate appeal is to the federal court, which under the provisions of section 28 can review a decision on the basis that there has been a failure to observe a principle of natural justice or that there has been an erroneous finding of fact, will the government arrange to call in its former civil servants who are temporarily acting as the administrator and as the appeal tribunal to the Anti-Inflation Board and the administrator's decision and advise them about the facts of life and the necessity of giving reasons for judgment when a decision is made?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the act has provided for procedure whereby there is the Anti-Inflation Board, the administrator and the appeals tribunal, and in due course appeals can be taken from their particular decisions, if a party wishes, to the federal court. It seems to me that parliament having made that provision, it would be entirely reasonable for the parties appointed pursuant to the statute to carry out their responsibilities without the intervention of myself as the minister.

● (1420)

Mr. Baldwin: A final supplementary, Mr. Speaker. Perhaps the minister during the course of his answer, may be able to explain how you can appeal judgment unless you know the reasons for the decision. In any event, will the minister, in terms of section 17(3) of the Act, at least make a report to this House, get the report from the administrator and give it to the House indicating the basis of the rationale of the decision, why it was made, the circumstances under which it was made so that those people affected and this House will know instead of this decision being made in secret?

Mr. Macdonald (Rosedale): Mr. Speaker, that report was tabled on Friday.

Mr. Baldwin: Oh, nonsense. There were no reasons in it.

DECISION IN IRVING PAPER CASE—REQUEST UNION BE GRANTED RIGHT OF APPEAL

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is also for the Minister of Finance. In view of the fact that the order of the administrator reduces the terms of the collective bargaining agreement from 23.8 per cent to 14 per cent as of May 1, 1975 and in view of the fact that the said decision adversely affects the workers of that company who are signatories to the agreement, and since under section 30 of the Anti-Inflation

Act any person against whom an order has been made by the administrator has right of appeal, I want to ask the minister first of all if he is certain that the union in this case has no right of appeal? I would think under section 30 they have that right of appeal since they are adversely affected. If they have not, however, is the minister prepared by administrative order or the introduction of legislation to give those who are affected by the decision of the administrator, the right to appeal to the appeal tribunal?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the hon. gentleman is asking me for a legal opinion in the first instance. If its turns out that a person affected by a particular order does not have the right of further recourse, then of course every attention would be given to possible amendment in that regard.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that this right of appeal which the government spoke of so glowingly when the legislation was going through the House, is increasingly becoming a farce since the person aggrieved cannot appeal to the administrator except with the consent of the Anti-Inflation Board or the government, and now cannot appeal the decision of the administrator to the appeal board and since they cannot take the matter to the federal courts unless they have been before the appeal tribunal, has the time not come for the minister to introduce legislation immediately to give any person who is affected by a decision of the Anti-Inflation Board the right to go directly to the appeal tribunal and, if not satisfied, to go directly to the courts?

Mr. Macdonald (Rosedale): Mr. Speaker, I am not satisfied that the hon. gentleman's two presumptions are accurate and it therefore seems to me that his questions are premature.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, if I have not got the facts straight I would certainly be glad to be enlightened. The minister has not been good at that in the past. It may be that I am not very bright or it may be that the minister is trying to evade giving an answer. I want to ask the minister if he is prepared either to state the intent of the legislation or to clarify the legislation so that any employer or group of employees may have the right to take a decision of the Anti-Inflation Board to the appeal tribunal without being denied access to the administrator except by order of the Anti-Inflation Board or cabinet?

Mr. Macdonald (Rosedale): Mr. Speaker, as the hon. gentleman knows, he is not asking for a statement of the facts; he is asking for a legal interpretation of the law which has been passed by parliament. I would suggest to him that the law speaks for itself. It would be for the appropriate legal process to determine the application of it.

Mr. Baldwin: I agree with Dickens: "the law is a ass" in this case.

Mr. Macdonald (Rosedale): Why did you vote for it?

Mr. Baldwin: I did not vote for it.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

[*Translation*]

UNEMPLOYMENT INSURANCE

POSSIBILITY OF COMPLETING ORGANIZATION OF TWO OFFICES IN ROBERVAL CONSTITUENCY

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, as the Minister of Manpower and Immigration and the President of the Treasury Board are absent, I shall direct my question to the Acting Prime Minister.

After the statement of the Treasury Board concerning the opening of two income tax offices in Arvida and Shawinigan, which represent total investments of more than $15 million to accommodate some 1,300 civil servants for the Income Tax Branch, does not the minister think it would be more urgent to complete the organization of the two unemployment insurance offices in the constituency of Roberval promised since the beginning of the year to give justice to the unemployed, which would better comply with the anti-inflation legislation?

[*English*]

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I will pass these suggestions along to the minister. Perhaps I should add this: the decentralization of the income tax office is part of the general policy with which I thought my hon. friend would agree.

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FOOD PRICES

STUDY INDICATING EXCESSIVE MARK-UPS—REQUEST FOR ACTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Finance and arises from the assurance he gave the House on November 7, as reported on page 8951 of *Hansard*, to the effect that the Anti-Inflation Board would be examining, "the gross profit margin" of companies and determining if there are unreasonable mark-ups in food prices. My question is prompted by the news today that a study commissioned by the Food Prices Review Board shows excessive mark-up in food prices ranging from 4 per cent in eastern Canada to 7 per cent in the west resulting from what the study calls lack of competition, and concentration. What does the minister propose to do about this situation which seems to be seriously undermining the government's entire anti-inflation program?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the hon. member raised several points. The Anti-Inflation Board, obviously, will pay close attention to the immediate impact of the matter, particularly in light of returns anticipated from a number of these companies by about the end of this month. The returns will be submitted for the purpose of determining their gross profit margins.

To affect, in the long run, competition not only in this area but, indeed, in all areas of Canadian business, the government will bring forward at an early date the second stage of the competition policy for the purpose of ensuring better competition for Canadian consumers in the Canadian market. I hope the hon. gentleman and his colleagues

will support these important changes to Canadian competition law.

Mr. McGrath: May I ask a supplementary question, Mr. Speaker. In view of the predictions of the vice chairman of the Food Prices Review Board in January that food prices would continue to rise, especially after supermarkets lifted their voluntary freeze of food prices, which we are experiencing now, may I ask the minister what steps the Anti-Inflation Board has taken to establish clearly to the people of this country that it is doing something to restrain prices, especially food prices? I ask this as it is apparent that this is not being done and as such lack of action is affecting seriously the government's attempt to attack inflation.

Mr. Macdonald (Rosedale): Mr. Speaker, I point out that the freeze itself, which has been operative for several months, is the first evidence of the impact of the board on pricing in the food distribution sector. There will be variations in prices as the winter goes on because of the importation of fresh fruits and vegetables to Canada. Really, there is little opportunity to avoid variation especially in such commodities, and such variations may occur from time to time.

In general terms, to respond to a point raised in the previous question, the gross profit margins of these firms will be under close scrutiny by the board, particularly after the filings which are expected at the end of this month.

* * *

ENERGY

GASOLINE—POSSIBILITY OF LEGISLATION SETTING MILEAGE STANDARDS FOR AUTOMOBILES

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Bearing in mind that the United States has already enacted legislation in the field of energy, the announcement that gasoline prices are to rise next summer and the need for us all to be energy conscious, does the minister intend to introduce legislation during this session, to provide for greater efficiency in automobiles and light trucks?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, we intend to introduce some mandatory measures.

Mr. Korchinski: A supplementary question, Mr. Speaker. Will the legislation contain penalties, to induce automobile manufacturers to produce more efficient vehicles, or is it intended to implement the legislation by way of taxes on the public, which must buy these cars, even though they may be less efficient?

● (1430)

Mr. Gillespie: Mr. Speaker, the measures will deal with new gas mileage standards. They will be aimed at increasing, on a fleet average, the gas mileage standards by 1980. The second period will be 1985. Those measures will be comparable to those introduced by the United States. Therefore, it should not in any way penalize Canadian manufacturers and their workers.

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AGRICULTURE

COW-CALF STABILIZATION PROGRAM—GOVERNMENT POSITION ON ALBERTA PROPOSAL—POSSIBLE DATE OF IMPLEMENTATION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, might I direct a question to the Minister of Agriculture. In as much as the minister has indicated on a number of occasions that he will be initiating a specific stabilization program for beef in the calendar year 1976, what action is his department and the government taking with regard to the proposal advanced by the minister of agriculture of the government of Alberta specifically outlining a cow-calf stabilization program of which the costs would be shared 75 per cent by the federal government and 25 per cent by the provinces?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, that proposal was submitted several weeks ago, actually before Christmas. As I said before in this House, there is an ongoing committee of provincial deputy ministers and officials in Ottawa. They have not as yet come to a conclusion.

Mr. Mazankowski: Instead of the minister's continual evasiveness and procrastination, will he tell the House whether in fact he will initiate any kind of program specifically for the cow-calf producers of this country—yes, or no?

Mr. Whelan: Mr. Speaker, I said we would have a program for the calendar year 1976, from January to the end of December, for beef.

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HEALTH

REQUEST FOR ALTERNATIVE FACILITIES IN VIEW OF HOSPITAL CLOSINGS—GOVERNMENT POSITION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I wish to address a question to the Minister of National Health and Welfare. In view of the anguish, fear and dismay caused by the proposed closing of several hospitals, particularly in rural areas, I would like to ask the minister if health care centres or other facilities are being planned to look after those needing care and, also, if any provisions are being made to look after the approximately 5,000 people who will be unemployed.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I can certainly understand the concern expressed by the hon. member. However, as he well knows, the administration of health services is the exclusive responsibility of the provincial governments. I might advise the hon. member that discussions are underway with the provinces in order to try to develop lower

cost alternatives to hospital care in the various provinces so that Canadians will all be well covered with regard to the care they need at a price the country can afford. These discussions are under way. As I said, in a previous reply, my officials will be meeting with provincial officials in March. I hope to then be in a position to call a federal-provincial conference of health ministers in April.

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NATIONAL DEFENCE

CONTRACT FOR LONG-RANGE PATROL AIRCRAFT—REQUEST FOR STATEMENT ON NEGOTIATIONS FOR COMPLETION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I wish to ask the Minister of National Defence whether he will be making a statement on motions today or tomorrow to explain his complete reversal of position on the long-range patrol aircraft contract?

Hon. James Richardson (Minister of National Defence): No, Mr. Speaker, I will not be making a statement. There has been no reversal of our position.

Mr. McKinnon: Is the minister seizing upon the difficulties of Lockheed to enable the government to back out of a contract under which the government found, to their surprise, that they were expected to pay part of the production costs for the planes they were buying? With respect to the reply of the Minister of Supply and Services last week that the technical problems concerned long-term financing, is it not closer to the truth that the technical problems are actually short-term financing and that it is the Canadian government and not Lockheed that is unwilling and unable to put up the front-end money?

Mr. Richardson: Mr. Speaker, at this stage it is the responsibility of my colleague, the Minister of Supply and Services as the purchasing agent for the government and National Defence, to complete the negotiations and contract with Lockheed. Those negotiations have been made more difficult as a result of the difficulties Lockheed has experienced in recent days and weeks.

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HEALTH

CLOSING OF HOSPITALS—SUGGESTED CONSULTATIONS WITH ADMINISTRATORS AND STAFF

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the Minister of National Health and Welfare. It is supplementary to that asked by my colleague from Simcoe North. In these discussions he mentioned provincial authorities. With regard to the more efficient use of health delivery facilities, is he prepared to take into consultation not only the provincial authorities, the administrators, who are the same people as he has, but also senior nursing staff and doctors working in hospitals, and not necessarily only the doctors who put people in hospitals?

[Mr. Lalonde.]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am afraid that the provinces would look very dimly upon any attempt by me to go behind their backs directly to hospital administrators.

Mr. Lambert (Edmonton West): Mr. Speaker, the minister misunderstood. I asked that these people be included along with the provincial authorities so that some actual experience on how to efficiently run hospitals could be obtained right in the field.

Mr. Lalonde: Mr. Speaker, I have had over the years several meetings with the official representatives of these professional bodies, the Canadian Medical Association, the Canadian Hospital Association and the Canadian Nursing Association. In addition, I do not think the provinces would very much like the hon. member's comment that they do not know how to run these institutions.

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FOOD PRICES

STUDY INDICATING EXCESSIVE MARK-UPS—REQUEST FOR ACTION—POSSIBILITY OF PRICE FREEZE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Finance. In view of the report of some 170 pages being prepared by Dr. Mallen for the Food Prices Review Board, the fact that the prime finding of the report is that there is a very high correlation between corporate concentration in retail food stores and excess profits, and earmarks where the excess profits are, what immediate steps will the minister be taking to eliminate those excess prices and profits in those specific markets?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I have already responded to that question from the hon. member for St. John's East.

Mr. Nystrom: In view of the fact the minister sloughed this off to the Anti-Inflation Board, will he now advise whether the government is considering imposing an immediate price freeze on retail food prices until they have time to evaluate this report and bring in any legislation the report might recommend?

Mr. Macdonald (Rosedale): Mr. Speaker, parliament set up an agency to deal with prices in Canada. It makes some sense to deal through that agency.

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AIR CANADA

CANCELLATION OF FLIGHTS FROM MONTREAL—REQUEST FOR REPORT

Mr. Leonard C. Jones (Moncton): Mr. Speaker, my question is directed to the Minister of Transport. Can the minister advise the House as to how many and why so many Air Canada flights have been cancelled out of Montreal today?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I can indicate that when the flights should have started this morning, some ramp employees of Air Canada were not present. The matter is being investigated. I do not have a report or explanation at this time.

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ENERGY

POSSIBILITY REFINERY AT COME-BY-CHANCE WILL CLOSE—GOVERNMENT MEASURES TO ENSURE CONTINUED OPERATION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Has the minister made inquiries into the future status of the refinery at Come-By-Chance in Newfoundland and can he tell us whether, given the 400 jobs and the 100,000 barrels a day in output which are involved here, the government has any plans, through Petro-Can or whatever, to ensure the continued operation of this facility?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I am aware of the difficulties at the Come-By-Chance refinery at the present time. I am also aware that Petro-Canada has made it their business to find out what is the problem. I cannot say more than that at the present time.

Mr. MacKay: Can the minister tell us what the effect will be on the supply situation in eastern Canada should this facility close?

Mr. Speaker: Order, please.

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AGRICULTURE

MINISTER'S VIEW ON EFFECT OF PRODUCTION CONTROL PROGRAMS

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, my question is to the Minister of Agriculture. In light of the fact Secretary Butz has made it quite clear that any country which advocates and promotes a controlled production concept will ultimately destroy its ability to compete on world markets as well as destroy man's ability, desire and initiative to produce, will the minister inform the House whether he agrees with Secretary Butz?

● (1440)

Hon. E. F. Whelan (Minister of Agriculture): I saw the same program, Mr. Speaker. I asked Secretary Butz last year whether he was proposing control measures. He did say on that program that he had intervened several times in marketing arrangements in his own country and that he would continue to do so as long as he was Secretary of Agriculture.

Mr. Hurlburt: Would the hon. gentleman assure us that he will acquire a transcript of the production for a showing in the Railway Committee Room and invite all Members of Parliament to review this outstanding film.

PENITENTIARIES

MAXIMUM SECURITY PSYCHIATRIC INSTITUTIONS—STATUS OF INSTITUTION PROPOSED FOR DARTMOUTH

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Solicitor General but in his absence I will direct it to the Acting Solicitor General or the Minister of Public Works. It has to do with the program for the construction of maximum security psychiatric institutions in various regions of Canada. With regard to the program apparently selected for Dartmouth in Nova Scotia, I should like to ask whether its status is such that consultations have now taken place with the Province of Nova Scotia and city officials in Dartmouth with respect to the location of the institution.

Hon. C. M. Drury (Minister of Public Works): I will take notice of that question, Mr. Speaker.

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NATIONAL PARKS

STUDY OF FEE SCHEDULE—REQUEST FOR REPORT AND CONSULTATION WITH INTERESTED GROUPS

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is intended for the Minister of Indian Affairs and Northern Development. In his absence, I will direct it to the parliamentary secretary. When can the House expect to receive the results of the study promised by the minister into the effects of last year's alterations in the fee structure relating to the national parks?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): I do not have a direct answer for the hon. member but I am sure the minister will be able to give him a precise date very shortly.

Mr. Johnston: Can the hon. lady tell us whether the minister is now prepared to discuss the results of the study and any proposed change in the fee structure with operators of businesses in the parks, interested groups and individuals who have made representations to him, before any new fee schedule is announced?

Mrs. Campagnolo: The minister has made it clear that he is willing to consult with such people and he has already done so in some cases.

* * *

FINANCE

POSSIBILITY OF REDUCTION IN PERSONAL INCOME TAXES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to address a question to the Minister of Finance. In view of the government's stated intent to hold down increases in its expenditure to approximately 14 per cent in 1976 as opposed to 23 per cent in 1975 and 28 per cent the year before, is it the intention to decrease personal income taxes this year as part of the fight against inflation while at the same time stimulating the private sector of the economy?

Hon. Donald S. Macdonald (Minister of Finance): The hon. gentleman will recognize on reflection that he is asking for the kind of statement about fiscal intentions which is normally made in the budget.

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GOVERNMENT ADMINISTRATION

POSSIBLE UNIFICATION OF UNEMPLOYMENT INSURANCE AND MANPOWER OFFICES—GOVERNMENT POSITION

Mr. Lloyd R. Crouse (South Shore): One supplementary to the Minister of Manpower and Immigration having to do with the curtailment of expenditure. As part of its stated program aimed at reducing expenditure, has the government considered unifying the services provided by the Unemployment Insurance Commission and Canada Manpower? If so, when can we expect such an integration to take place?

Hon. Robert K. Andras (Minister of Manpower and Immigration): This possibility, along with other options with regard to amendments to the Unemployment Insurance Act is before us now. I cannot give a definite answer as to whether, or when, such a change will be made. But we are seriously considering the suggestion.

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AIR CANADA

DATE OF ANNOUNCEMENT OF APPOINTMENT OF CHAIRMAN

Mr. Jack Murta (Lisgar): Mr. Speaker, may I ask the Minister of Transport when the government intends to announce the appointment of the Chief Executive Officer and other officials at the head of Air Canada? Will the announcement be made this week or in the very near future? Can he give us a definite indication of the date?

Hon. Otto E. Lang (Minister of Transport): A meeting of the Board of Directors of Air Canada is taking place today and I expect to discuss this important question with the board. It may be that after the meeting I shall know more about the exact timing of any announcement.

Mr. Murta: Will the announcement be made in Montreal or Ottawa? If it is to be made in Ottawa would he be prepared to make the annnouncement in the House?

Mr. Lang: The location will depend to a large extent on the timing. I will consider the hon. member's suggestion—whether it can be made in the House.

* * *

EXTERNAL AFFAIRS

POSSIBILITY IVAN HEAD CONTRIBUTED TO SOLVING DIFFICULTIES BETWEEN ANGOLA AND SOUTH AFRICA

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. Can he tell the House whether the Prime Minister's special representative, Mr. Ivan Head, was able on his recent trip to Europe to make a contribution to a resolution of the difficulties between the MPLA and South Africa resulting from the occupation of certain Angolan territories by South African military forces?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): I would not think so, because that was not the purpose of his journey.

ANGOLA—POSSIBILITY OF RECOGNITION OF NEW GOVERNMENT

Mr. Andrew Brewin (Greenwood): On Friday last, the hon. member for Lafontaine-Rosemont asked the parliamentary secretary a question having to do with the recognition of the people's republic of Angola. Events have moved since that date and I wonder if the minister could now tell us whether conditions have reached the point at which serious consideration is being given to such recognition.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No, Mr. Speaker, we have not concluded that recognition ought to be extended at this time. The matter is under consideration.

* * *

[Translation]

MANPOWER

POSSIBILITY NUMBER OF ADULT TRAINING COURSES WILL BE INCREASED

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, I have a question for the Minister of Manpower and Immigration which I gave him notice of last week.

Considering the increasing number of applications at manpower centres for adult training and the growing need for minimal requirements to meet the needs of the labour market, could the minister tell the House whether he is prepared to offer more adult courses next year?

[English]

Hon. Robert K. Andras (Minister of Manpower and Immigration): The amount of money allocated to adult training over the last two years has increased very considerably. I would refer the hon. member to the very substantial increase effected in the budget of June of last year. There was, it is true, a modification—some expenditure cuts—in December, but it still adds up to a very significant allocation of resources. I doubt very much that we shall see additional funds made available during the financial year 1976-77, desirable though that might be in certain respects.

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ENERGY

OIL—GOVERNMENT MEASURES TO INCREASE EXPLORATION—LEVEL OF PRICE INCREASE

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Surveys of the oil industry indicate that for the sixth

successive year Canada will experience a deficit in conventional crude oil supplies, that is, production will exceed findings. Will the government be presenting any new plans to forthcoming meetings with the provinces designed to bring about increased activity in the exploration field?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): We shall be reviewing a number of measures including the question of raising the price of oil by July 1 of this year. Incidental to that, of course, would be a larger share to the producer for the purpose of increasing exploration and development in Canada.

Mr. Ritchie: Will the government be pressing to raise the price of oil to world levels on July 1?

Mr. Gillespie: We have always made clear that it is government policy to raise the price toward world levels. I do not want the hon. member to understand that it is proposed to do so in one step. My predecessor and I have always made it clear that we shall be moving toward world levels in a series of measured steps.

* * *

AGRICULTURE

MILK—REDUCTION IN PRODUCTION AND PROVINCIAL QUOTAS

Mr. Jake Epp (Provencher): Mr. Speaker, may I direct a question to the Minister of Agriculture? It arises from the critical situation in which the dairy industry in Manitoba now finds itself, and the minister's past statements that because of present surpluses, milk production will have to be reduced and that no increase in financial subsidies will be considered. Will the minister indicate whether at the time marketing shares for each province are being established those provinces that have not met their present marketing share will not be asked to accept further reductions?

● (1450)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the marketing share quota committee operates with very little, if any, interference at all from the Minister of Agriculture. They are the ones who decide among themselves how they will share the quota.

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[*Translation*]

ANTI-INFLATION BOARD

REQUEST FOR CLARIFICATION OF APPEAL PROCEDURE IN IRVING CASE

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I want to put a question to the Minister of National Revenue.

Last Friday, the minister announced to the House the important decision to impose to the Irving Pulp and Paper Company a fine of $125,000 for refusing to meet the requirements of the Anti-Inflation Board. However, the procedure the Irving Pulp and Paper Company should follow to appeal that decision has not been clarified or indicated clearly. Since this important case will establish a precedent in that area, can the minister now inform the House of the nature of this procedure and indicate at the same time what new developments have taken place?

[*English*]

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, with respect, I believe the Minister of Finance has gone into that very thoroughly. This is a question of following the procedures outlined in the act, and I do not think it would be appropriate for me, as a lawyer or as the minister, to tell him what procedure should be followed.

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ENERGY

RADIOACTIVE WASTE DISPOSAL SITES IN OTTAWA AREA—REQUEST FOR REPORT

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources and it arises from questions I asked last week in respect of radioactive substances in the national capital area. At that time the minister indicated he would be able to make a report on the location of those sites and the disposal involved. Has the minister had a chance to look into that matter and can he give us a report today?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I have looked into the matter and have been discussing with my department the list of various locations in the Ottawa region, as well as other areas in the province of Ontario, and I hope to be able to make that list public toward the end of this week.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I want to thank the minister for that answer. When he is making that list public, will he at the same time be making a statement in respect of the disposal of the material, the methods to be used, the criteria to be followed and other matters that are important on this question?

Mr. Gillespie: Mr. Speaker, I will see that this particular aspect of the question is covered.

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GOVERNMENT ADMINISTRATION

POSSIBLE UNIFICATION OF UNEMPLOYMENT INSURANCE AND MANPOWER OFFICES

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, could the Minister of Manpower and Immigration at long last inform us whether he will be announcing this year that the offices of Canada manpower and unemployment insurance will be amalgamated so there can be better coordination between those who know where the jobs are and those who are unemployed?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think I made a comment on almost an identical question asked by the hon. member's colleague just a few minutes ago.

Oral Questions

HOUSING

GOVERNMENT EFFORTS TO IMPROVE NATIVE AND RURAL HOUSING PROGRAM—NATIVE REPRESENTATION AT VANCOUVER HABITAT CONFERENCE

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I should like to ask the Minister of State for Urban Affairs whether he can report to the House on what plans the corporation might have to accelerate the native and rural housing program implemented two years ago which to date has achieved less than one per cent of its target?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I do not know where the hon. member gets his figures, but two years ago the figure of starts in that whole area was something like 42. I recall indicating to hon. members how much of an effort it was to get the program started. The most recent figures I have are 3500, and if we maintain this level of acceleration of activity I think we will be doing a great deal along the line of reaching our target. I have been meeting with the native people just this past week. This has a high priority in my ministry and in CMHC. We are working well with the native people. It has been much slower getting going than we expected, but I think with that rate of acceleration we are making good progress. We are running into problems of administration but those are better than problems of frustration.

Mr. Oberle: Mr. Speaker, the figures I have quoted in the House of 50,000 homes come from a report from the minister's own department. The houses that have been started and achieved to date are 410. I should like to ask the minister if it is his intention, and the intention of his department, to allow native people to establish a presence during the Habitat conference at Vancouver since it only takes a 15 by 20 piece of property to demonstrate a native housing unit in Canada?

Mr. Danson: Mr. Speaker, on the first part of the question, which is really not a question, certainly I do not know what part of the program he is referring to, but the total impact is on 3500 housing units. In so far as Habitat is concerned, the native people will be represented in the Canadian delegation.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—POSSIBILITY OF INCREASES IN FUNDING

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Manpower and Immigration and is in reference to media reports over the weekend regarding statements allegedly made by the Minister of Industry, Trade and Commerce regarding the future of LIP funding. May I ask the hon. minister how soon he may be in a position to announce further LIP funding because of the high unemployment rate, especially in the Atlantic provinces, and with particular reference to Cape Breton Island where it is now in excess of 25 per cent?

[Mr. Andras.]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I can hold out no hopes to the hon. member for increases in the allocation of $100 million that is committed for 1976-77. I have indicated to the House, and confirm again, that this is a slight reduction in the allocation from $135 million. There will be an increasing shift of these funds to the high unemployment areas. This may be at the expense of lower unemployment rated constituencies, but the figure is to remain at $100 million on the basis of the information I have as of today.

* * *

FINANCE

REGISTERED RETIREMENT SAVINGS PLAN—REQUEST FOR CHANGES TO PROVIDE GREATER FLEXIBILITY

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I have a question for the Minister of Finance. This is the time of year when many Canadians are examining registered retirement savings plans, and my question concerns the rule that requires a life annuity to be purchased before the 71st birthday, often resulting in no increase in cash income over the interest that could be earned on existing investments, resulting in the depletion of the estate on death and leaving the unused capital in the hands of the insurance companies. Will the minister give consideration to amendments which would permit registered retirement savings plans to retain existing investments and to be depleted at will, providing of course that the amounts taken out would be included in income in the year of receipt, in order to provide greater flexibility and to remove inequities that exist at the moment?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the operation of this particular program has been under scrutiny. Of course, any change of that kind involving a change in fiscal status would very likely have to be made in the context of a budget.

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VETERANS AFFAIRS

PENSIONS FOR FORMER PRISONERS OF WAR—REASON FOR DELAY IN IMPLEMENTATION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. In view of the fact it would cost only about $9 million a year to provide the pensions for prisoners of war recommended in the Seventh Report of the Standing Committee on Veterans Affairs, and in view of the fact that the government has spent sums many times that size, in quite a few cases, since the restraint program was brought in last October, would the Minister of Veterans Affairs give us the assurance that it is not a problem of finding $9 million that is delaying action on this report regarding POW legislation?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, as far as the question is concerned, when I finally have the conclusions of the government I

will bring them before the House and the hon. member will be aware of them at that time.

Mr. Knowles (Winnipeg North Centre): Will that be this week?

* * *

EXTERNAL AFFAIRS

GUATEMALA—GOVERNMENT POSITION ON SENDING POWDERED MILK AND LUMBER TO AID EARTHQUAKE VICTIMS

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I have a couple of questions for the Secretary of State for External Affairs regarding Guatemala. Can the minister clarify the situation regarding the sending of 100 tons of powdered milk to Guatemala, and whether there is evidence that this milk is filling the nutritional needs of that country? Secondly, can the minister indicate whether Canada will augment this by sending lumber and galvanized tin for the construction of dwellings before the rainy season starts in that country?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I have a long report from our representative in Guatemala indicating the background of the request for supplies of powdered milk. The requirement for powdered milk was developed in consultation with authorities in Guatemala and in consultation with nutritional authorities. Without going into all the details at the present time, there is a continuing need for powdered milk as an important element in the diet of the population of Guatemala. Continuing requests are being made for powdered milk for rural areas, for orphanages and particularly for nursing mothers.

● (1500)

Mr. Roche: I have one supplementary, Mr. Speaker. Since the minister did not answer the second part of my question concerning the sending of lumber this leads to my supplementary. I should like to ask him whether or not the Canadian government would support the 14 principal non-government organizations that are going to launch a $2 million campaign for long-term application in Guatemala and whether the government would match that $2 million with $2 million to make a total of $4 million available by Canada for long-range application in Guatemala.

Mr. MacEachen: Mr. Speaker, in answer to the second part of the first question, as yet there has been no request from the Government of Guatemala to provide building materials, although I understand the Government of Guatemala is attempting to define, in co-operation with the United Nations, its immediate and future requirements so that an international request can be made upon a more defined inventory of needs and we will obviously co-operate with that.

I have stated already in the House that we would be prepared to readjust our own development program in Guatemala to co-operate in the rehabilitation of that country on a short-term and long-term basis. In other words, we will restructure our whole aid program to reach that objective and will consider co-operating with the NGO's.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

MOTION TO ADJOURN FROM 5 P.M. FEBRUARY 19 UNTIL 2 P.M. FEBRUARY 23

Hon. Mitchell Sharp (President of the Privy Council) moved:

That this House shall adjourn at 5.00 p.m. on Thursday, February 19, 1976, and shall thereupon stand adjourned until Monday, February 23, 1976, at 2.00 p.m.

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

Some hon. Members: Agreed.

Mr. Speaker: Order, please. The motion at this time has been presented, with due notice. It is a debatable motion. I see the hon. member for Moncton (Mr. Jones) wishes to participate in the debate. Simply in order to maintain the regularity of the proceedings, I wonder if we might conclude the routine proceedings and then revert to motions in order to debate this particular motion. Is that agreed?

Some hon. Members: Agreed.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

ANTI-INFLATION ACT

DECISION OF ADMINISTRATION RESPECTING IRVING PULP AND PAPER DISPUTE

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I ask leave to move, seconded by the hon. member for Timiskaming (Mr. Peters) the adjournment of the House, under the provisions of Standing Order 26, for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the state reached in the collective bargaining process as signified by the decision of the Anti-Inflation Act administrator in the Irving Pulp and Paper dispute. An agency created by the federal parliament and, accordingly, responsible to that parliament, has become involved in the normal course of the collective bargaining process, but has provided a right to appeal only to the employer and not to the union, as signified by the Irving case. This is creating an inequitable situation which has prolonged the resolution of the strike in the Canadian pulp and paper industry and portends the total breakdown of free collective bargaining throughout the economy, with consequent labour unrest and social dislocations. Therefore, there is an immediate need to debate the decision of the administrator and the process whereby that decision was made.

Mr. Speaker: Order, please. The popularity of this subject has been evidenced not only by repeated applications pursuant to Standing Order 26 but, in addition, through numerous questions raised during the question periods

that have taken place during the currency of this strike which is now of some six months' duration. Today's question period, of course, was no exception because representatives of all opposition parties put questions. In the past, questions have been put by representatives on the government side. So there can be no doubt about the importance of this strike and its very wide-ranging effect, as well as the desirability that this House might address itself to the problem.

However, there are two or three continuing questions, not the least of which is that it is a strike in the private sector, as I indicated the first time it was raised. I indicated last Wednesday that there was some trouble with the question of jurisdiction. May I say to all hon. members that there can no longer be any trouble with the problem of jurisdiction. The strike existed prior to the introduction of federal controls in respect of wages and prices. However, the operation of the statute, the operation of the Anti-Inflation Board, and the decision now of the administrator, clearly establish a connection with this parliament vis-à-vis this particular strike which otherwise would in no way come under the jurisdiction of this parliament. Therefore, the jurisdictional question can be laid to rest now.

That, however, does not eliminate all the problems facing the Chair. One is, that with repeated applications under this Standing Order, it would appear that continued rejections by the Chair begin to draw the Chair into taking sides in the merits of the dispute, which is certainly not what I want to do and, I hope, is certainly not seen in that light by hon. members. The fact is that last week, when the matter was raised, I indicated that the administrator, pursuant to the legislation, was in the course of commencing his duties as envisaged by that legislation. If it was the case that he had been derelict in those duties and had not investigated the situation, or had failed to act or failed to come to a decision which was precipitating a work stoppage, that might be one side of the coin. The fact of the matter is that at that time I refused an application for an emergency debate because the administrator was just beginning his examination of this situation.

In the interval, it is obvious—as is contained in the notice of motion of the hon. member—that the administrator has completed his work and has made his decision. That is the normal function of the administrator as envisaged in the legislation which was, of course, passed by this House a short time ago. I could scarcely hold that the normal operation of the administrator within the intent of that legislation could be constituted as an emergency which should precipitate a debate. Whether that has an effect on the collective bargaining system generally, surely must have been envisaged in the legislation, and if it is a matter of general concern about the collective bargaining system and its welfare that, again, might be a proper subject for discussion on an allotted day. But if there is a situation in the Irving case and its example to the rest of the nation, one of the difficulties is that the workers are at work in the Irving company, and if the rest of the nation were to follow that example, presumably anything but a continuing difficulty would exist and other strikes might be settled—I do not know.

The fact is that I can scarcely consider the Irving example as an emergency, nor can I say that the administrator does not appear to be fulfilling his duties within the terms of the legislation as envisaged. If I were to extend the precedent pursuant to Standing Order 26 every time an administrator, pursuant to this legislation, comes down with a decision one way or the other, or is called upon to intervene and make a decision, this place might be looked upon as a court of appeal against his decision. If I were to accept that example of the effect of the administrator's decision in the Irving case, how could I refuse it in a number of other cases in which the administrator might be involved in the near future? I do not think I could: it seems to me it would be extending the precedent too greatly.

On the other hand, again I say that if through the days that follow there is a continuing work stoppage in other areas of this industry, and if in fact there is some breakdown of the understanding of the legislation, or it fails to operate, that might be a cause for reapplication. But the fact of the matter is that the administrator has functioned as envisaged in the legislation, he was put in place as the legislation envisaged, and he appears to have acted, and acted quickly. The workers in the Irving case are at work; the plant is operating. Unless there is some dereliction of duty, a breakdown in the functioning of the legislation, or some work stoppage to which the House could address itself that is clearly important, it would seem to me at the moment the legislation is functioning as was envisaged by this parliament when it was passed a short time ago and, therefore, for the moment at least I ought not to grant a emergency debate.

I again say that I regret the fact that repeated applications under this rule are beginning to draw the Chair into the position of taking sides in the issue. I have tried very hard not to do that and to simply decide whether there are some grounds, with reasonable precedent, upon which I ought to set aside the regular business of the House in order to precipitate a debate pursuant to Standing Order 26. However, as long as the legislation is functioning as it was envisaged when it was passed by the House a short time ago, I fear that, without stretching precedents beyond all control, I cannot consider such a debate at this time.

[Mr. Speaker.]

● (1510)

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,581, 3,757, 3,762, 3,782, 3,811, 3,814, 3,820, 3,898, 3,904, 3,916 and 3,936.

[*Text*]

AIR FARES

Question No. 3,581—**Mr. Cossitt:**

1. What was the total amount paid in air fares in each of the past three years for which figures are available by the Department of

External Affairs to (a) Air Canada (b) CP Air (c) other airlines including their identity and the specific amounts paid in each case?

2. What is the name and job designation of every official in the Department who decides which airlines will be used and on what basis are such decisions made?

3. Has any person in the Department ever been offered any fee, present, reward or inducement of any kind by an airline before or following business placed with that airline and, if so (a) what is the name of the airline (b) what are the names of the persons receiving such offers?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. The information requested is not recorded in a manner which would facilitate reply. Expenditures for airfares are, in most instances, recorded under the names of the employee(s) receiving the services, not by specific airline. A definitive response would require a review of approximately 9,000 files and almost 60,000 travel claims in addition to an analysis of some 4,200 Post Financial returns. It is estimated this would require some 1,200 man days at a cost of approximately $50,000.

2. It is not in the tradition of a non-political public service to disclose names of officials who perform tasks in the course of their public duty. Travel arrangements are made in Ottawa by a number of clerks, most of whom are rotational employees, and at posts abroad by administrative. Clerks and officers, either on foreign assignment or locally engaged. Foreign Travel and Removal Service is responsible for travel. The section is part of the Staff Relations and Compensation Division. Whenever practical, Canadian airlines are used. However, the services of all airlines are utilized, as needed, when Canadian airlines are unable to provide the services or reservations required.

3. Like any large organization whose members are involved in a substantial amount of travelling, the Department is the recipient of occasional offers of various kinds from airlines in the context of their promotional activities. Records of such offers are not kept. In keeping with Government and Departmental policies, employees are not permitted to accept fees, presents, rewards or inducements offered by airlines for the purpose of acquiring Departmental business.

TOTAL COST OF ADVERTISING MADE NECESSARY AS A RESULT OF POSTAL STRIKE

Question No. 3,757—Mr. Cossitt:

What was the total amount of public funds spent by all departments for extra advertising made necessary directly or indirectly as a result of the recent postal strike?

Hon. Mitchell Sharp (President of the Privy Council): $329,702.42.

BUDGET AND EXPENDITURES OF PARKS CANADA

Question No. 3,762—Mr. Cossitt:

1. In 1975, what was the (a) total budget (b) actual expenditures of Parks Canada?

2. What percentage of such expenses were recovered from tolls and fees instituted during the year?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): 1. (a) $143,114,000; (b) $142,485,000*.

* Includes actual expenditures for eight months to November 30, 1975 and four months projected expenditures to March 31, 1976.

2. 8.1 per cent.

NATIONAL DEFENCE—TOW WEAPON SYSTEMS

Question No. 3,782—Mr. McKinnon:

1. (a) How many TOW weapon systems have been purchased by the Armed Forces and are on issue to the troops as of December 1, 1975 (b) what fraction or percentage of the total order for TOW weapon systems does this figure represent?

2. What is the cost of the TOW weapon systems that have been purchased and issued up to December 1, 1975?

3. (a) How many TOW missiles have been purchased by the Armed Forces and are on issue to the troops as of December 1, 1975 (b) what fraction or percentage of the order for TOW missiles does this figure represent?

4. What is the cost of the missiles that have been purchased and issued up to December 1, 1975?

Hon. James Richardson (Minister of National Defence): 1. (a) 149 systems are being purchased. However, none have been issued to the troops as of this date. (b) Not applicable in view of 1(a) above.

2. Total program cost including Launchers, missiles and ancillary items is estimated to be $30,097,000.

3 and 4. See 1 and 2 above.

ACCA PROGRAMME

Question No. 3,811—Mr. Marshall:

With reference to the answer to Question No. 3,174 regarding the ACCA Programme (a) what were the (i) names (ii) type of firms that applied (b) what was the amount requested (c) what were the results of each such application?

Hon. Jean Marchand (Minister of the Environment): (a) (i) The Department of National Revenue advises that in accordance with Section 241 of the Income Tax Act, the names of firms submitting ACCA applications may not be released. (ii) The 11 applications were submitted by the petroleum industry. (b) The total amount requested was $88,247. (c) Six applications for $54,893 have been approved; Two applications for $21,926 are under review; Three applications for $11,428 have been withdrawn.

SERVICE COLLEGES—ENTRANCE REQUIREMENTS

Question No. 3,814—Mr. Howie:

Are entrance requirements in terms of scholastic attainment for English and French speaking students uniform for entrance to (a) the Royal Military College, Kingston, Ontario (b) CMR, St. Jean, Quebec and, if not, what is the difference?

Hon. James Richardson (Minister of National Defence): The entrance requirement to RMC and 1st year CMR is senior matriculation standing based on provincial secondary school standards. There is no preparatory year at R.M.C., however, entry into CMR for the preparatory year only requires junior matriculation standing based on provincial secondary school standards.

Order Paper Questions

NATIONAL DEFENCE—RECRUITING OF ANGLOPHONES AND FRANCOPHONES

Question No. 3,820—Mr. Jelinek:

1. What was the total amount paid by the Department of National Defence for Armed Forces recruitment ads on French-language television in the Province of Quebec in (a) 1974 (b) 1973 (c) 1972?

2. How many unilingual (a) French (b) English speaking persons entered the Armed Forces in (i) 1974 (ii) 1973 (iii) 1972?

3. How many unilingual (a) French (b) English speaking persons were accepted into the officer training programme in the Armed Forces in (i) 1974 (ii) 1973 (iii) 1972?

4. What was the total number of unilingual French speaking persons in the Armed Forces in (a) 1974 (b) 1973 (c) 1972?

Hon. James Richardson (Minister of National Defence): 1. (b) FY1973/74, $177,782. (c) FY 1972/73, Nil.

2.

	(a) Francophones*	(b) Anglophones*
(i) FY 1974/75	2,876	5,773
(ii) FY 1973/74	2,983	5,118
(iii) FY 1972/73	2,343	3,744

3.

	(a) Francophones*	(b) Anglophones*
(i) FY 1974/75	472	974
(ii) FY 1973/74	422	742
(iii) FY 1972/73	528	557

4. (a) FY 1974/75, 6,038. (b) FY 1973/74, 3,018. (c) FY 1972/73, 1,856.

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*NOTE 1: Francophones and Anglophones denotes primarily French and English speaking respectively, not necessarily Unilingual.

NATIONAL DEFENCE—MILITARY AND CIVILIAN STRENGTH—DECEMBER 18, 1975

Question No. 3,898—Mr. McKinnon:

What is the (a) military (b) civilian strength of National Defence Headquarters as of December 18, 1975?

Hon. James Richardson (Minister of National Defence): Statistical data on strength is compiled at the end of each month and is not readily available for each day of every month. The data given below is as of November 30, 1975. (a) 3,100, (b) 4,169.

DEVELOPMENT OF NATIONAL HISTORIC PARKS AND SITES IN NEWFOUNDLAND

Question No. 3,904—Mr. Marshall:

1. With reference to the speech of the Minister of Indian Affairs and Northern Development on November 28, 1975, what are the names of the thirty parks and sites to be developed in the Province of Newfoundland?

2. How much remains to be spent out of the future years estimates on the Gros Morne National Park in the Province of Newfoundland?

3. As a result of the government's reduced spending under Indian Affairs what, if any, reductions will affect the development of the Gros Morne National Park and what are the details under Parks—capital $13.5 million and operating costs of $6.4 million and/or other?

4. Where it is feasible, what are the details of the government's plans to introduce low intensity recreational activities at national historic parks and sites?

[Mr. Richardson.]

5. What plans are being made to upgrade and improve the interpretation programmes at the Gros Morne National Park in Newfoundland?

6. Has the government discussed with the Province of Newfoundland a commitment to develop linear land and water systems under the ARC Programme and, if so, what are the details?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): 1. This speech refers to 30 National Historic Parks and Sites which will be developed across Canada within the coming three years. Of these 30 priority sites one, L'Anse aux Meadows, is located in Newfoundland.

2. The following are the proposed 1976-77 capital estimates and 1977-82 capital program forecast for Gros Morne National Park. 1976-77, $2,569,000; 1977-78, $3,754,000; 1978-79, $3,660,000; 1979-80, $2,404,000; 1980-81, $2,264,000; 1981-82, $4,076,000; Total: $18,727,000.

3. The only capital project in Gros Morne National Park affected by the $13.5 million government restraint program is the reconstruction of highway 430. $800,000 was taken out of the 1976-77 estimate year and deferred one year. Of the $6.4 million reduction in operating costs only $34,600 for goods and services was taken out of Gros Morne National Park.

4. Where feasible, it is the intention to increase the visitors enjoyment of our larger National Historic Parks and Sites by introducing various complementary facilities. Such facilities may include picnic areas, nature trails, beaches, interpretive kiosks and period restaurants as in Louisbourg. These low intensity activities will only be permitted where there is no conflict or encroachment upon the historical integrity of the site. It is our belief that the natural features of many of our larger National Historic Parks and Sites are an important part the historical experience which should be enjoyed by the Canadian population. As for L'Anse aux Meadows, paths and visitor circulation will be developed for the viewing of building remains. Picnic facilities are also being recommended because of the isolation of the site.

5. Two significant basic steps have been taken which will help develop and maintain a high quality program at Gros Morne: (a) a Chief Park Interpreter has been hired. (b) an Interpretation plan of the Park has been completed. Currently, the staff of Gros Morne National Park contribute articles to the regional media in order to raise awareness of the Park. This effort will be continued. To supply information and orientation on arrival, a new Visitor Reception Centre is being designed. This new centre will provide significantly improved exhibit and theatre capabilities. Steps have been taken to acquire improved resource material from which high quality programs can be developed. Among these steps are: (i) a Human History bibliography of the Park has been completed. (ii) photographic resources have been enlarged to supply material for exhibits and displays both inside and outside the Park. (iii) two detailed interpretive story area plans will be ready for this summer. This plans will state where and what kind of media will be placed in certain sections of the Park. Several new interpretive facilities and programs have been instituted. These will contribute to the Park experience of many Park users. Among these facilities and programs are: (a) a new car caravan route and brochure are now available. Each visitor stopping for information

upon entering the Park will receive the brochure along with other material about the Park. (b) a new exhibit for the Lobster Cove Lighthouse is in the design stage. (c) a new interpretive trail has been established at Lobster Cove. (d) several hiking trails have been extended and will be available for interpretive purposes. Contact with local people through interpretive programs keeps the community informed of Park activities and provided information on a significant community resource. Park personnel are available to visit local organizations and present programs about the Park. In addition, Park staff will, upon invitation make presentations to school children and youth groups to enrich their knowledge of the Park and its story. Gros Morne also hosts many groups who make special arrangements to visit the Park. Several groups such as nature federations and birding groups have already made arrangements to visit the Park this summer.

6. Negotiations have begun with the Province of Newfoundland to determine the potential of the Avalon Peninsula as a corridor under the ARC Program. A joint planning process, including a joint planning team, has been outlined and discussed by both governments. Subject to the approval of the Government of Newfoundland, a joint feasibility study will be undertaken and should be completed within three months.

NATIONAL HEALTH AND WELFARE—COST OF BROCHURE "TO SAVE A LIFE"

Question No. 3,916—**Mr. Wenman:**

What was the total cost, including but not restricted to the costs of design, printing and distribution, of the National Health and Welfare brochure *To Save A Life* (FA/OAS-0975)?

Hon. Marc Lalonde (Minister of National Health and Welfare): With respect to the brochure "To Save a Life", the total cost of the design/art work, mechanical production, printing, through the Department of Supply and Services, and shipping was $56,064.

COST OF PUBLICATION "IS THERE A PLACE FOR HORROR FILMS IN CANADA'S FILM INDUSTRY"

Question No. 3,936—**Mr. Friesen:**

1. What was the cost of the publication *Is There a Place For Horror Films in Canada's Film Industry?*

2. How many copies were produced in (a) English (b) French?

3. In what locations was the publication circulated?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): Member is referred to Beauchesne's Parliamentary Rules 4th edition, citation 171dd.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that questions Nos. 3,496, 3,504, 3,525, 3,569, 3,579, 3,642, 3,693, 3,721, 3,765, 3,792, 3,793, 3,795, 3,797, 3,857, 3,860 and 3,862 be made orders for return. I also ask the consent of the House to table immediately the information which has been already submitted. The balance of the information will follow as soon as it is submitted to me.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

TORONTO AND VANCOUVER EXHIBITION

Question No. 3,496—**Mr. Fortin:**

Since 1970, were any expenses or contributions made by a department for the (a) Toronto (b) Vancouver exhibition and, if so, in each case, what was the amount?

Return tabled.

CROWN CORPORATIONS

Question No. 3,504—**Mr. Fortin:**

1. Since 1968, what was the annual return on invested capital for each proprietory Crown corporation?

2. In each case of a return of less than 7%, what action did the corporation take, or plan to take, to cope with the situation?

Return tabled.

GOVERNMENT EXPENDITURES IN CONSTITUENCIES OF RESTIGOUCHE AND KOOTENAY WEST, 1963-75

Question No. 3,525—**Mr. Brisco:**

What were the government expenditures in each year 1963 to 1975 in the Constituencies of (a) Restigouche (b) Kootenay West by the (i) Department of Transport (ii) Department of the Secretary of State (iii) Department of Indian Affairs and Northern Development (iv) Department of Manpower and Immigration (v) Department of Regional Economic Expansion (vi) Central Mortgage and Housing Corporation (vii) Industrial Development Bank (viii) Department of Industry, Trade and Commerce?

Return tabled.

GOVERNMENT EXPENDITURES FOR TELEVISION PRODUCTION FACILITIES, 1972-74

Question No. 3,569—**Mr. Friesen:**

1. For the years 1972 and 1974, what was the total expenditure for the Department of (a) Agriculture (b) Manpower and Immigration (c) Industry, Trade and Commerce (d) Labour (e) the Secretary of State (f) Transport (g) Energy, Mines and Resources (h) Indian Affairs and Northern Development (i) External Affairs (j) Consumer and Corporate Affairs for (i) publications (ii) audio visual presentations other than film presentations (iii) film feature presentations?

2. Which departments have (a) television production facilities (b) film equipment (c) radio production facilities and, in each case, what is the (i) nature (ii) dollar value of the facility?

Return tabled.

CMHC—CONTRACTS TO CANADA CONSULTING OF TORONTO, 1973-75

Question No. 3,579—**Mr. Oberle:**

What contracts were awarded (a) by the government (b) on behalf of Central Mortgage and Housing to Canada Consulting of Toronto in (i) 1973 (ii) 1974 (iii) 1975?

Return tabled.

Order Paper Questions

POST OFFICE—DELIVERY OF WRITTEN COMMUNICATIONS WITHIN CANADA DURING POSTAL STRIKE

Question No. 3,642—Mr. Clarke (Vancouver Quadra):

1. What alternative services are being used by each department and agency during the current postal strike to deliver written communications within Canada and what is the estimated monthly cost to each?

2. In each case where commercial delivery services are being employed (a) what is the (i) name of the company (ii) rate or cost of the service (b) by what process was the company selected?

Return tabled.

GOVERNMENT GRANTS TO CANADIAN UNIVERSITIES IN 1973, 1974 AND 1975

Question No. 3,693—Mr. Matte:

1. Did the government grant money to Canadian universities in 1973, 1974 and 1975 and, if so, what were the amounts involved?

2. (a) What are the names of the universities (b) how much was granted to each?

Return tabled.

COST OF PROVIDING TRANSPORTATION FOR DEPUTY MINISTERS

Question No. 3,721—Mr. Cossitt:

1. What is the total cost involved in the last year for which figures are available for providing at public expense transportation of any kind for Deputy Ministers including specifically (a) chauffeur driven transportation (b) wages of chauffeurs (c) mileage allowances (d) meal allowances (e) total wages including overtime, etc.?

2. Of the total amount of public funds involved, how much was applied to each department?

Return tabled.

BILINGUALISM TESTS FOR PUBLIC SERVANTS

Question No. 3,765—Mr. Matte:

1. From January 1, 1975 to date, how many persons have taken the bilingualism test in the Public Service in order to obtain the 7% bonus?

2. How many (a) English (b) French speaking employees (i) passed (ii) failed such test?

3. What are the assessment criteria?

4. Is the test valid?

Return tabled.

NUMBER OF PERSONS EMPLOYED BY DEPARTMENT 1971-75

Question No. 3,792—Mr. Orlikow:

1. On January 1, 1971 and January 1, 1975, by department, what were the number of persons employed on a (a) term basis (b) contract basis (c) casual basis by (i) classification (ii) salary range?

2. For the same dates and in each case, what benefits were payable to such employees by (a) classification (b) salary level (where applicable)?

[Mr. Oberle.]

Return tabled.

INFORMATION OFFICERS EMPLOYED BY DEPARTMENT, 1974-75

Question No. 3,793—Mr. Orlikow:

1. On January 1, 1974 and January 1, 1975, by department, how many (a) information officers and (b) support staff were employed by (i) job classification (support staff, trainee, IS 1-6) and (ii) salary range?

2. For the same dates, by department, how many information officer positions were vacant by (a) job classification (b) salary range?

3. By department, what duties and responsibilities were handled by each information officer as of January 1, 1975?

4. By department, what is the total amount to be spent in 1975-76 on information services, including salaries and wages?

Return tabled.

TRAVEL EXPENSES FOR EACH DEPARTMENT 1970-75

Question No. 3,795—Mr. Orlikow:

1. For each department, departmental corporation, agency corporation and proprietary corporation, how many employees whose headquarters were in Canada travelled outside of Canada and submitted travel expenses in each fiscal year (a) 1970-71 (b) 1971-72 (c) 1972-73 (d) 1973-74 (e) 1974-75?

2. In each fiscal year and for each department or corporation, what was the total amount expended on employee travel outside of Canada?

Return tabled.

NUMBER OF PUBLIC SERVANTS IN RECEIPT OF OVERTIME PAY IN PAST YEAR

Question No. 3,797—Mr. Orlikow:

1. By department, Commission and Crown corporations, etc., how many public servants earning over $18,000 in the past year received overtime pay?

2. How many received overtime pay (a) up to $1,000 (b) between $1,000 and $2,000 (c) between $2,000 and $3,000 (d) between $3,000 and $4,000 (e) between $4,000 and $5,000 (f) $5,000 and over?

Return tabled.

NUMBER OF FORMER DEPUTY MINISTERS ON PAYROLL AS CONSULTANTS

Question No. 3,857—Mr. Bawden:

1. During the present fiscal year, how many former Deputy Ministers were on the government payroll as consultants?

2. (a) What are their names (b) what was the nature of their consulting assignments (c) what will be the total amount paid to each and what is the breakdown?

Return tabled.

REDECORATING OF CABINET MINISTERS' OFFICES

Question No. 3,860—Mr. Beatty:

1. For each Minister currently in the Cabinet, how much has been spent since 1970 for (a) renovating (b) redecorating his office in (i) the department (ii) the House of Commons?

2. How much has been spent by the government in the last year to supply briefcases to government employees?

3. What categories of government employees and how many, except for Cabinet Ministers, have governmental (a) cars (b) drivers supplied

for them at public expense and what is the total estimated cost of this practice during the current fiscal year?

Return tabled.

PROGRAMMES UNDER WHICH GOVERNMENT MADE GRANTS AVAILABLE

Question No. 3,862—**Mr. Halliday:**

1. What were the names of all programmes under which the government made grants to individuals, groups, organizations or corporations and, for each programme, what was the amount granted in (a) 1972 (b) 1973 (c) 1974?

2. In each case, is there a catalogue or brochure showing details of such grants?

Return tabled.

* * *

[*English*]

HOUSE OF COMMONS

MOTION TO ADJOURN FROM 5 P.M. FEBRUARY 19 UNTIL 2 P.M. FEBRUARY 23

Mr. Speaker: In accordance with an earlier agreement, the House will revert to motions. The motion in the name of the President of the Privy Council (Mr. Sharp), seconded by the Secretary of State for External Affairs (Mr. MacEachen), has been put. The Chair will recognize the hon. member for Moncton (Mr. Jones) in the debate.

Mr. Leonard C. Jones (Moncton): Mr. Speaker, thank you very much for giving me the opportunity to speak on this motion. As I go through this little talk this afternoon, perhaps we may all gain something from it no matter what side of the House we are on.

Some hon. Members: Hear, hear!

Mr. Jones: Very early in life, amongst other things, we are all taught to say at least two words "Yes", and "No". As we grow older we are taught what these words mean, when to say them and when not to say them. This is one reason why nations and governments in this world find themselves in such difficult circumstances. Leaders in all sectors of society have been reluctant to make positive use of the words "Yes" and "No", but have been more concerned in obtaining and retaining office and power.

On Thursday last, in response to a request by Mr. Speaker for unanimous consent to entertain the motion in question, I exercised a right, a right to dissent, a right which any member of this House has. From certain corners there was grave despair. Be that as it may, I have made it clear on several occasions that when unanimous consent is required, if those who are desirous of having the motion passed quickly want my consent, they should at least have the common courtesy to ask me for consent or consult with me. The leader of the party which is holding a leadership convention this weekend, obviously on misinformation and poor advice, forced me to become an independent and abused all Christian and democratic principles to make certain that I be rejected and refused admittance to that party and candidacy for his job. He has been assisted by others in this conspiracy.

Some hon. Members: Oh, oh!

An hon. Member: Balderdash!

Mr. Jones: In view of the fact that the real reason this motion has been introduced is to accommodate members of parliament from that party so they can attend and participate in that convention, I could put on record the history of the so called "Jones affair" since May, 1974.

Some hon. Members: Oh, oh!

An hon. Member: Order.

Mr. Jones: It is very interesting and would prove to be a real horror story. It points up some of the abuses that can, and are, practised under the political party system in Canada today. It indicates how injustices, inequities and undemocratic procedures can be, and are, followed by the backroom boys and by those at the top echelon of the political party for the sake of keeping control of a political party. But today I am not going to relate to you that story except to say that one can be duly nominated by a constituency association and unduly rejected by a national leader; duly elected by the people, undemocratically rejected by the executive, but endorsed again by the people at the grassroots level.

Political parties in Canada must be for, of, and by the people—all people—people from the base of the triangle or pyramid to the apex; from the grassroots level up; from the first rung in the ladder to the top; from the lowest plain to the highest peak, regardless of their status in life. Yes, political parties must relate to people. If this philosophy and thinking is not followed, then Canadians will continue to be cynical and distrustful of political parties, the party system, governments, parliamentary democracy and the institution of parliament itself.

Leaders of this nation should be preaching and practising productivity and efficiency at home, at work and even at play. Each and every member of parliament would do well to practice productivity and efficiency right in this House. Certainly we should oppose poor legislation, but support good legislation. If we oppose or support legislation, we should say so, say it quickly and get on with the business of this House and with the business and problems of the nation.

Some hon. Members: Hear, hear!

An hon. Member: Simplistic.

Mr. Jones: One serious problem is that the members of this House are kept in the dark with respect to several of the operations of government. Millions of dollars are spent annually and this House has little or no control. This must stop. All political parties must clean up their acts. The people of Canada are awaking from a deep sleep only to find that the democratic institutions established over many years are being eroded and watered down. Parliament must clean up its act, and certainly government has the duty to clean up its act. People must not only become involved in the political process; they must be permitted to share in the party process itself.

Incidentally, the Prime Minister (Mr. Trudeau) is to be commended for going to British Columbia along with a

number of his cabinet ministers. This is an excellent precedent. But I would suggest that trips of this kind should not be conducted when the House is in session. Annual cabinet sessions could very well be held in each province, and every member of parliament from that province, regardless of his political or non-political affiliation, invited to participate and share in the work. A great deal more could be accomplished on this non-partisan basis. I have always felt that full cabinet meetings should be held outside Ottawa occasionally on a regional basis, and I would now suggest that the Prime Minister arrange for such a meeting in Moncton as soon as possible. I would be pleased to assist in any way. This is taking government and parliament to the people. It is a grassroots understanding of these problems.

After I said "No" on Thursday last, one person said, "That wasn't very sporting of you". I smiled, because I never thought that the business of this House should be taken lightheartedly: this is no sporting event or even an athletic happening. It should not be a mutual admiration society—but maybe it is. Like you, Mr. Speaker, I believe that as a member of parliament I have responsibilities. My responsibilities as a member of parliament are first to my constituency, then to the nation generally, and then to my conscience; and if I belonged to a party, I suppose that then my allegiance to my party would come next. I sometimes wonder if this is the priority followed.

● (1520)

I wish to point out quite clearly and emphatically, and in as explicit and clear terms as possible, that if the proponent of this motion had had the common courtesy to come to me prior to its introduction, I would have been more than pleased to go along with unanimous consent. I would even have consented to allowing the House to have Monday, February 23, off because I feel certain that the Progressive Conservative Party is going to need all the time it can obtain to get a leader.

Some hon. Members: Hear, hear!

Mr. Jones: However, the fact of the matter is that no one,—not one soul—had the courtesy to come to me and discuss unanimous consent; and, incidentally, no one has yet had the courtesy to come to me. This House has many serious and important matters to handle. There are problems arising from inflation.

An hon. Member: Oh, oh!

Mr. Jones: Is there someone on this side who wants to speak after me? There are high interest rates to deal with, Anti-Inflation Board decisions, unemployment, housing, social problems, capital punishment, abortion, defence, and government waste. The list goes on and on. The question of taking time off for a political convention is a doubtful one. Possibly we should have passed the Heritage Day bill and let them have that weekend off.

Since I have been in this House as a member of parliament, duly and regularly elected, I have endeavoured to conduct myself with a sense of fairness, justice and fair play. But I have made it clear on several occasions that in view of the fact that I have been forced to sit as an independent, I intend to exercise my rights and privileges and also to assume my responsibilities to the fullest. Until such time as I become a member of a recognized political party, I have no alternative but to use my own good judgment.

Hon. members will have to admit that there has been a total resistance by the recognized political parties to co-operate and permit me to become a member of any standing committee of this House. I ask: Is that fair? Does it discriminate? Is that parliamentary democracy? Is that morally right? Is that the type of justice meted out to members of this House? Does that type of action pass the four-way test?

In like vein, every other hon. member of this House belongs to a recognized political party whereby 75 per cent of donations up to $500 can be acknowledged with receipts and can be used as a deduction from income tax. This is an even better deal than that given to churches and charitable organizations; but that is the religion of politics. I ask, again: Is that fair? Does it discriminate? Is that parliamentary democracy? Is it morally right? Is that the type of justice meted out to members of this House? Does it really pass the four-way test?

When I first came into this House, I believed many hon. members had ill-conceived and preconceived ideas, for some reason or another, as to my views on several subjects. One of them was bilingualism. I trust hon. members now realize that my suggestion of a nationally-integrated, non-separate, uniform educational system in this nation is the only way to provide harmony, understanding and unity. I said this to the B and B Commission in May, 1964, and I will continue to repeat it because it bears repeating. The present system for the implementation of bilingualism is not working. It is a mess. It is going pretty far when the chief of the defence staff comes to my constituency of Moncton and says, in effect, that the decision with respect to a French language unit at Greenwood, Nova Scotia, was his move and no one was going to make him change it. That is arrogance, and I do not think we in this House have to accept that.

By not accepting my views, and by not permitting me to have the same rights and privileges as other members of parliament—as a certain political party has done—is not only rejecting me but is rejecting my constituents and the views of a large percentage of good, decent-thinking Canadians. I am an independent, not by choice but by compulsion. But I am a member of parliament as much as any other hon. member who sits in this House. However, the difference with me is that I have no party affiliation, and the system—improperly—does not permit my membership on standing committees. Therefore, my forum for dissent or consent has to be right here in the House of Commons, in the parliamentary chamber itself, and I must make full use of this opportunity to express my right to dissent as well as my right to consent.

Recent events certainly indicate that I have been excommunicated from and rejected by the Progressive Conservative Party. Perhaps now that both Liberals and Progressive Conservatives are more knowledgeable of my views on bilingualism, the other path for me to follow for admission into the PC party is to follow the route adopted by so many other persons who have gained admission into that noble party, namely, through the Liberal party.

Some hon. Members: Hear, hear!

Mr. Jones: Even the recently departed former minister of finance—a fine fellow, mind you, but as a minister of finance I question his success because of his last four or five budget failures—received a personal invitation to lead the Tories out of the wilderness. It makes one think. At this point I wish to make it abundantly clear that I am going to make my presence in this House felt even more from now on, and if unanimous consent is required at any time I believe my vote for consent or dissent is as valid as that of any other member of parliament.

In closing, I want to issue a caveat—which I expect every hon. member of the House to read in *Hansard*—regarding standing committees, donations to my organization and the obvious injustices perpetrated upon me, a member of this House, and consequently upon my constituents and other good-thinking Canadians. Therefore, I ask hon. members to co-operate by assisting in having two private bills which I presented on these matters enacted immediately.

I have no obligation whatsoever to the House leaders or to any leaders of any party, and in particular to the Tory party now. Any relation or connection now is purely coincidental. If the new Tory leader is not a member of the caucus, his caucus will be in no different spot than I am. They, too, will not have their leader in the House. I could expand on this, but I leave hon. members to think of other combinations and permutations of the results.

I express the grassroots-level views of a large percentage of Canadians. These views, ideas and thoughts, are important to me and I trust they are important to every hon. member of this House. I find myself in the position where I have the large support of the people of this country, and not just in my own constituency—but, for better or for worse, not from the top brass of any political party.

Mr. Speaker, I wish to thank you very kindly for permitting me to speak on this motion. I believe it has given me the opportunity, briefly, to put a few important views on the record without unduly wasting the time of this House, as has been done on other occasions.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the hon. member for Moncton (Mr. Jones) has raised a number of matters which deserve consideration and which could be discussed with considerable interest.

Mr. Guay (St. Boniface): Are you inviting him into your party?

Mr. Knowles (Winnipeg North Centre): He has already invited himself to go into the Liberal party, and from there to the Tory party. I think the point which most of all deserves consideration is that when we are seeking to do things by unanimous consent, if the hon. member is here on those occasions he should be asked if he gives consent as well.

However, it seems to me that what is now before us is a very simple motion. All it calls for is for this Thursday evening and all day Friday to be taken off for a purpose which I think is fairly well known. I do not think this motion lends itself to discussion of the whole parliamentary system or the trials and tribulations of the Progressive Conservative Party. I think it is a matter of common courtesy. This House has taken time off for Progressive Conservative leadership conventions in the past, for Liberal leadership conventions on previous occasions, and recently for the leadership convention of this party. I think it should be done now. Maybe no more speeches will be necessary. I am sure the Progressive Conservatives will vote for the motion, and on this occasion I think I can speak for the Liberal majority in this House as well. In other words, it is unanimous. We are all prepared to vote for the motion.

● (1530)

The Acting Speaker (Mr. Turner (London East)): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Turner (London East)): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Turner (London East)): Order of the day.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISIONS ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed, from Friday, February 13, consideration of Bill C-58, to amend the Income Tax Act, as reported (without amendment) from the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Norman A. Cafik (Ontario): Mr. Speaker, in connection with motions Nos. 7, 8, 9, 10, 11, and the amendment to motion No. 7, I must say that I generally and largely support the intent and the principle underlying Bill C-58 in connection with the deduction for advertising expenses in that they should not be available to advertisers who advertise on a foreign broadcasting station whose primary market is directed into Canada. Until recent days we have not questioned the validity of this policy because, on the face of it, its merits have been self-evident in the terms of national interest.

Bill C-58 has been largely viewed by the public and parliamentarians as a bill whose primary thrust, if not its whole thrust, was in the area of periodicals, and the controversy surrounding the *Time* and *Reader's Digest* question became the preoccupation of everybody connected with the bill. My view changed somewhat while I was flying westward on January 13, 1976, to Victoria to attend the funeral of my former colleague, David Groos. While I was going out west, I took advantage of the opportunity to

visit the Canadian subsidiary of KVOS in Vancouver whose transmitter is located in Bellingham. I must admit that I was quite impressed with their operation, and particularly with the amount of work that was done in Canada by their Canadian subsidiary. For instance, they employ an average of 150 part-time and full-time Canadian employees, the majority of whom are professional and technical people in the broadcasting and program production field.

There is no doubt that those directly involved as Canadian employees of this subsidiary find it almost impossible to believe that their own government would bring forward legislation that would relieve them of their employment. I am not saying we have to adjust laws in this country or make laws that take into account, in every given instance the well-being of every individual employed in Canada. There can be no question, however, that when the Government of Canada and parliament act in such a way as to adversely affect individual Canadians, they must only do so for very, very important, substantive reasons.

The Canadian subsidiary of the Bellingham station to which I have referred sells in Canada all the broadcasting time to Canadians, which represents about 80 per cent of the total air time of that station. The money from these sales substantially remains in Canada, and taxes on this income are paid to Canada, which means that KVOS is the only border station that operates in this manner. There is no parallel between their operation and those of Buffalo border stations with which I am more familiar. In addition to this, the KVOS production company, Canawest Films, Vancouver, and Canawest Master Films, Calgary, between them are the largest full-line film production entity west of Toronto. They are all subsidiaries of KVOS, B.C., Limited which in turn is the subsidiary of KVOS Television Incoporated, Bellingham, and all its employees are Canadian. These companies operate one of Canada's largest animation studios producing prize-winning, animated commercials for clientele not only in western Canada but in eastern Canada and the western United States. Their exports into the United States and abroad brings into Canada annually an additional half million dollars' worth of business.

The main distinction to be made is that many of us, as parliamentarians, are under the illusion that this aspect of the bill effectively prohibits the draining of funds from Canada into the United States—and with that principle I think all of us would agree—whereas in this case it appears to me that quite the reverse may be true. Canada, in economic terms alone, appears to be a net beneficiary of KVOS, B.C., Limited.

We have legislation called the Foreign Investment Review Act which effectively allows foreign purchasers to take over Canadian industries if it can be demonstrated that such a takeover would be "of significant benefit to Canada". Perhaps, within this act, we have a key to dealing with this unique situation. Surely all parliamentarians would agree that we do not, as a group, want to minimize benefits to Canada and to Canadians. Therefore, it might be considered as advisable to insert a clause in respect of this aspect permitting such border stations as KVOS to continue their Canadian operation providing it is of significant benefit to Canada. Such a provision would not permit them to continue to operate, but it would make it possible for them to continue if a decision were made that such continuance were in the national interest.

In light of the fact that I have only recently become aware of the factors that I am referring to in this speech, it is perhaps unreasonable to expect that an amendment dealing with this complex problem can really be dealt with adequately at this stage or our deliberations. Perhaps this provides a classic example as a case for sober second thought by the other place on the questions I have raised.

Many Canadians question the validity of the role of the other place from time to time, but those of us who know its genuine function realize—I am confident, having been exposed to the wisdom emanating from that place—that they will, indeed, take a genuine look at this broad question of broadcasting, not in any way to change the principle underlying this bill, which I strongly support in respect of broadcasting, but to make sure that nothing we do, will in fact, be contrary to the public interest. Perhaps we should also give direction to the kind of provision that exists in the Foreign Investment Review Act and provide that Canadian subsidiaries of foreign stations may operate in Canada if it is in the broad public interest for them to do so.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to say a few words in support of the amendment now before the House. In so doing, I should like to commend the hon. member for Ontario (Mr. Cafik) for his outstanding contribution to this debate. I do not do so in any partisan way. Lucidly and eloquently, he put his finger on the nub of the matter which concerns many in this House.

● (1540)

Nobody quarrels about the plight of certain Canadian broadcasting companies, especially those located near the United States border. No one denies that we must protect Canadian broadcasters from unfair competition from U.S. border stations broadcasting television, AM and FM signals. Neither would anyone quarrel over the government treating *Reader's Digest* as a special case during this debate. Arguments in favour of such a special case have been put forward by members on all sides of the House and the government, to its credit, acquiesced. Obviously, it was moved by the force of arguments emanating from all sides of the House.

I appreciate the concern of the broadcasting industry in Canada, a concern voiced for a number of years. We know that millions of advertising dollars go to U.S. border stations for advertising directed at essentially Canadian audiences. We see it happening in Ottawa. We receive signals from upper New York state television stations. Indeed, one television station in that state to all intents and purposes is an Ottawa station. We see the same thing happening in Montreal. That city is served by stations in upper New York state. Broadcasting stations in that state send their signals to that major market. We see this especially in southern Ontario, the so-called banana belt around Toronto and Hamilton, sometimes known as the great golden horseshoe. The Buffalo stations are gobbling up millions of Canadian advertising dollars which should be directed to Canadian stations. That money should be paid

to Canadian stations which provide Canadians with good broadcasting service.

In broadcasting, as in the magazine industry, there should be exceptions. *Reader's Digest* is an exception. Similarly, as the hon. member for Ontario argued forcibly, an exception could be made for television station KVOS. I come from the eastern seaboard, and have never seen the KVOS signal. I have never experienced that station's television fare. The station has its transmitter based in the United States. It is licensed by the United States Federal Communications Commission. I have been much impressed by the comments of the hon. member for Ontario and of hon. members from British Columbia on my side of the House, and I have been favourably impressed by the sensible recommendations made to the committee by representatives of station KVOS.

To all intents and purposes, KVOS is essentially a Canadian television operation. The difficulty is that it operates under a licence from the United States government. I read the material provided by the company and heard evidence adduced before the committee. I am satisfied that although the company operates under a United States government licence, it subscribes to all Canadian broadcasting laws. That, obviously, is in its interest. It subscribes to the code of ethics of the Canadian Association of Broadcasters, although it is not a member, and to the code of conduct relating to advertising directed at children which is endorsed by the CAB and broadcasting stations in Canada. Station KVOS does this although it is not a Canadian-based operation. More importantly, the station operates in Canada, employs Canadians and has spent millions of dollars in this country. Those are compelling reasons for making KVOS a special case.

The same cannot be said of the Buffalo stations. Neither can it be said of the Plattsburgh, New York, stations or for the Watertown, New York, stations. These stations essentially aim their signals at the larger Canadian market to their north. On the other hand, I submit that a special case could be made for that unique operation, station KVOS, which came into being not to serve the small town of Bellingham, Washington state, but essentially to serve the larger Vancouver market and the market of the lower British Columbia mainland. It has been providing the Canadian audience in Vancouver and on the lower British Columbia mainland with good television service and good public service. It has been a good corporate citizen and has been employing, directly, 150 Canadians in highly-paid jobs. It has pumped hundreds of thousands of dollars into the Canadian entertainment and film industries.

I find this debate somewhat strange, something of a paradox. Here we are, debating legislation which would deny Canadian advertisers the right to advertise on U.S. border stations, legislation which would put a good corporate citizen like KVOS, to all intents and purposes a Canadian station, out of business, when we operate under a broadcasting policy which licenses and encourages Canadian cable operators to bring into this country U.S. television signals. I find that a paradox.

We are debating a bill aimed at the U.S. content of *Time* magazine and at preventing Canadians from advertising on KVOS, a U.S. border station, when at this very time we license Canadian cable companies to bring into this country U.S. television signals generated by the three major networks. Those signals are directed to major Canadian markets.

An hon. Member: Only provided they delete the advertising.

Mr. McGrath: Mr. Speaker, the city of Regina is a long way from the nearest U.S. city.

An hon. Member: Cable companies have to delete U.S. commercials.

Mr. McGrath: Mr. Speaker, St. John's, Newfoundland, is many hundreds of miles from the nearest U.S. station in Bangor, Maine. It is far from the major markets of this country. Yet it is obvious to me that the government's cable policy has troubled Canadian broadcasters deeply. We talk much about Canadian content. While we plead with the CRTC to enforce regulations to do with Canadian content, that commission, operating under authority delegated by parliament, is undermining the very existence of television stations in this country. It is doing this by adhering to a cable policy which not only licenses but encourages cable companies to bring the signals of U.S. networks into this country. Pick up your *TV Guide* here for the city of Ottawa. What is the major station serving Ottawa? It is not the CTV station; it is not the CBC station: it is the station in Watertown, New York, the signal of which is brought to the city by a cable company licensed by the Canadian Radio-Television Commission. I find that a paradox. We can talk all we want, but the fact remains that the CRTC now realizes its ludicrous position.

One hears of directives being given to black-out U.S. advertising on the cable system. What kind of cheap, buccaneer policy is that? On one hand, the CRTC licenses Canadian companies to bring in U.S. signals. On the other hand we say, "You must black out the commercial signals." In other words, we are to get the benefit of the programs those stations broadcast, without having to pay any part of the price. That is unfair and unjust, and this situation is becoming one of the major sores affecting Canadian and U.S. relations at present.

People who have had experience with the U.S. government and U.S. congress know of the impact and the strength of the U.S. broadcasting lobby—and don't think our action has been lost on them. Congressmen and influential senators from the state of New York and the New England states have made their views heard in Ottawa through the U.S. state department. I say that our present cable policy makes no sense to anybody. I suspect that the cable policy, the brainchild of Mr. Juneau, now carried into effect by his protégé, the present chairman of the CRTC, is not a good policy for Canada. In fact, it is a bad policy for Canada. It operates counterproductive to the policy of encouraging Canadian content. For me, it represents a paradox.

● (1550)

Far from trying to make it difficult for a station that can reach this Canadian market without cable, we should have in front of us today a bill that would really do something for the broadcasting industry of this country. It should be possible to operate on an equal footing, without having to

compete in areas that are far from the receiving signal of the U.S. stations, by a policy that encourages cable companies to bring these stations into these areas. I have already referred to the city of Regina which is now awaiting the implementation of a licence for a cable operation. There is the city of St. John's, Newfoundland. Cable is going into Edmonton, hundreds of miles away from the nearest station.

The cable industry in this country is a big industry—a $120 million industry. It functions solely on the importation of United States signals. Without these U.S. signals there is really no justification for this substantial expenditure of Canadian funds for the cable industry. One certainly cannot say very much for the community channels which are a condition of licensing of every cable operation in the country. The programming is abysmally bad. It is so terrible that these community channels have a viewer audience of practically zero. They exist because they have to as a condition of licensing.

I say the cable policy of this government is bad; it makes no sense. I have the greatest respect for the present minister, a woman who has a background in broadcasting, a woman who understands the broadcasting industry in this country by virtue of her experience as a professional broadcaster. I hope she will bring in policies that will help undo the very serious damage that has been done as a result of the Juneau policies on cable in this country. More particularly, I hope this House will come to its collective sense.

We were able to make a special case for *Reader's Digest* because the people of Canada want it and it made sense to make a special case in this instance. I believe we should make some kind of provision to allow *Time* magazine to continue to provide us with the Canadian section. even with all its shortcomings, because we will continue to get *Time* anyway. We made a special case for *Reader's Digest*, and I submit that the same arguments are just as compelling, logical and rational for a special case for KVOS, a good corporate citizen of this country that is providing good television to the city of Vancouver.

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, I wish to speak in support of the subamendment of the hon. member for Winnipeg South Centre (Mr. McKenzie) to remove the government objective regarding CRTC involvement in this revenue deal. I endorse the remarks just made by the hon. member for St. John's East (Mr. McGrath). He said that if you can make a special case for *Reader's Digest*, there is every reason in the world to make a special case for KVOS.

Some hon. Members: Hear, hear!

Mrs. Holt: I also endorse the remarks about the cable position and the commercial deletion question. It can be said, in the words of the underworld, that cable is a fence for the CRTC to sell stolen goods. It is totally immoral. That is just an aside from the points I would like to make.

I heard the Minister of Communications (Mrs. Sauvé), her parliamentary secretary and the Secretary of State (Mr. Faulkner) speak on this subject. The CRTC were recently in the west. They were ready to take four American channels off the air. We were briefed ahead of time

that this would happen. The members from British Columbia were told, not consulted. They do not have to account to the public! We were told on November 25 and on December 16 that four American channels were coming off the air. They have great power, power that I never suspected parliament or my country would give to them. It is time that people here learned that we in the west are different. KVOS is different. People here should stop planning for us as though we do not exist.

Some hon. Members: Hear, hear!

Mrs. Holt: Possibly we should develop a western nationalism so that these people would learn about the west. Maybe we should narrow ourselves off and show what greatness we have. We are not Ontario, nor are we Quebec.

Some hon. Members: Hear, hear!

Mrs. Holt: Nor are we so immature that we require our cultural supplies, initiatives and dictates to come from that quarter. We have different geography, different sociology, different life-styles, tremendous untapped talent that is bypassed by the Toronto and Montreal cultural clique, and we have great strength and quality that easterners neither understand nor accept. They simply pass through the west. If we have an Olympic swimmer, *Maclean's* does a token article. It just does a wrap-up type story. It names one or two westerners, one or two far easterners, and calls itself national. Perhaps it is envy, and with that the attendant resentment at our great qualities and great blessings. Perhaps the great physical divider, the Rockies, has isolated us from them and them from us. That is very unfortunate. I believe in a federal nation, a nation undivided. In many ways, we have greater compatibility in the north-south direction than we have with the chauvinistic and parochial east, that harbinger of narrow nationalism that extends about as far as Bloor Street in Toronto.

Some hon. Members: Hear, hear!

Mrs. Holt: People here do not realize that the west is different.

I will now speak about KVOS, the CRTC, which is primarily eastern-oriented, and my colleagues whom I really respect. I respect the minister very much for her background in the media. However, she may not know what KVOS means and gives to us in the west. KVOS-TV has been a good corporate citizen since 1955, not quite as long as *Reader's Digest* and *Time*. They pay their taxes in Canada and have been in Canadian business since that time. Substantial amounts of their profits have been reinvested in Canada. Canada, has employed Canadians in the production industry from 1955 to the present. There are a few of my colleagues who say they are getting hot-to-trot to do something now that they are in trouble. However, they have been producing. They tried to get production going. They have won international awards and sent a product produced by Canadians all around the world. They have been doing this since 1955.

In 1971, KVOS wanted to start a huge production studio, but the CRTC turned them down. Is the CRTC the government of Canada? This company has subsidized western Canada's largest film and animation company both in

Vancouver and Calgary. Look at the jobs and untapped talent, the opportunities Canadians will never have. We now have that opportunity. It is like *Reader's Digest*. *Reader's Digest* now has a special privilege, but is it to advance Canadian talent and culture? No. They can rip a page out of *Harper's* down in the United States and rewrite it in Montreal. KVOS has employed more Canadian writers, artists, actors, musicians, film technicians, animators and other production people throughout the years than any independent English TV stations based in Canada, except for Toronto.

● (1600)

The Government of Canada seems to have had respect for this television station. It has recognized it, because Canada Manpower has worked with Canawest to help in the training of these people who are working in Vancouver. In the nine years from 1965, company reinvestment has been made possible and funds have been put back into B.C. in the form of taxes, payrolls and other public and private expenditures to the tune of $26 million—$76 million in nine years, That is hardly peanuts. KVOS is different. The west is different. It isn't a border station out of Toronto. But because of the myopic outlook in the east, they can only see the west in relation to what fits their pattern in the east.

Some hon. Members: Hear, hear!

Mrs. Holt: We are different. We have a different world. It is not fair to compare a corporate citizen of British Columbia who has lived in the spirit of what Canada wants of Canadian subsidiaries with all the other border TV stations. I cannot argue the case for Buffalo, though I suspect that they probably have a case too. That is for responsible Ontarian people to decide.

Mr. Collenette: Rubbish.

Mrs. Holt: I do not say whether it is rubbish or whether it is not rubbish. That is for you to decide. I will take the care of the west in this case because I know the west; I am a westerner.

Some hon. Members: Hear, hear!

Mrs. Holt: Let us at least leave an opening in this bill, through this amendment, so that if KVOS can come up with a plan which is better for broadcasting in B.C. than the punitive effect of this bill, it will have an opportunity to do so. And the bill is punitive. George Bernard Shaw said—and I repeat this over and over again—that when you set out to kill, that is assassination, and assassination is the extreme form of censorship. We are out to kill these corporate landed immigrants. Let us find a better way to handle this issue. All right, let's Canadianize them, help them to Canadianize, encourage them to Canadianize. It is a tax bill, it is not a content bill, it is not a game you are playing; and any time you handle law in the way this law is being handled, you are allowing the law to fall into jeopardy and to be destroyed. It is time those who seem to control so much legislation in the House—they and their agencies—learned about the west. I repeat, we are not Ontario and we are not Montreal.

Non-Canadian Publications

Incidentally, I wonder what would happen if the Americans were to decide they would not let us have their shows at low cost. What would happen if they said to us, "Okay, you will pay the same price for our shows as we expect from Americans." I believe a half-hour show costs $150,000 in the United States and $2,000 in Canada; for an hour, $250,000 in the United States and $5,000 here. What would happen to poor old Kojak on CBC and CTV? What would happen to our advertising? There would not be enough advertising revenue to keep our own networks going. The CBC and CTV sell tens of thousands of dollars worth of advertising around these shows. We are willing to take this material when it makes money for us. Is this nationalism? We won't allow the same thing for *Reader's Digest*. Well, we have allowed it in a way, but it is hardly Canadian content. Or for *Time*. Canadian networks and stations could not produce Canadian programs if it were not for the profit made on U.S. shows.

The dishonesty of Bill C-58 is exemplified by the fact that we juggle it around to make it fit what we want to achieve. I hear we have now allowed another exemption in respect of some newspapers in Alberta. Mr. Speaker, each time we allow another exemption the intent of the law becomes more apparent. It is determined to kill border stations like KVOS, or debilitate them and destroy Canada's editions of *Time*. I am from the west, in the far west, and I like to get those eight pages together with the rest of the international content. If we debilitate the border stations, we debilitate a lot of our own taste, our culture and our advertising. Let me point out that it will only be the big advertisers who will be able to afford the local networks because they are going to raise their prices—and they have contributed very, very little to cultural development in the west.

I wish to refer now to justice in the contents of this bill. There is no justice in the bill, and once justice is violated it can be destroyed. The same can be said of freedom. If freedom in the media is violated, the danger is apparent: it, too, can be destroyed. Justice and freedom are delicate pillars in a democracy. The slightest erosion can cause the collapse of our free society.

I think this bill is an extremely serious matter. I am not sure that everybody is with me. Indeed, I am positive that my colleagues are not with me. I cannot understand why they fail to see the magnitude of this issue. Every journalist in the country, every editorial writer in the country has been saying the same thing. There is only one paper which has taken a different view, and that is the Toronto *Star* which seems to be a bedmate with Southam's which has an interest in some of the cable and television companies which are now being protected by this legislation.

An hon. Member: That's incest.

Mrs. Holt: I don't know. It may be a queer relationship. Now we see bad law being adjusted, manipulated, changed. We see exceptions made and introduced. And when exceptions are made, what kind of law is being created? This law has been drawn up to meet special interests, adjusted and juggled for reasons of political expediency, it seems. I would hate to think that was so, but when this happens it is not the law of a just society but the law of tyranny, the

measure of whose design is individual profit or punishment.

To design law in order to get rid of one you dislike, whether it is *Time, Reader's Digest*, or human beings, is an act of despotism, and I would hate to see such a law passed through the parliament of my Canada. A law of this sort is in great danger of being held up to ridicule and contempt if it is not consistent and, God knows, what has happened in the past week has shown that it is not consistent, that it is without plan and without structure except to destroy several corporate citizens. It has become a ludicrous mass of contradiction.

In the periodical publishing business we cannot have continuing arrangements. The electronic media and the newspapers are totally dependent upon continuing arrangements. Instead, we are putting a knife in the back of small businesses. Our combines bill, C-2, was designed to ensure that competition is not impaired by powerful cartels and monopolies as exemplified by the big three who control newspapers in Canada, specifically, Southam's and the Maclean-Hunter Publishing Company, a multinational corporation which just so happens to have its base in Canada. Hardly nationalistic. All this in the name of nationalism—not patriotism, but nationalism. The Prime Minister (Mr. Trudeau), in his great and remarkable wisdom which we all admire so much, in an interview with Peter Newman—would you believe, Peter Newman, the great nationalist—on September 29, 1975, had something to say about nationalism. These are the Prime Minister's words, not mine:

● (1610)

My feelings about nationalism and . . . prejudices against it lie in the very history and meaning of the word. I never thought the nation should have preponderance over the individual . . .

I am against nationalism in the broader sense, it is a rationale for the establishment or the governing classes or those who have power with it to bring in solutions which are deleterious to individual freedoms—

I would repeat that for emphasis—"to bring in solutions which are deleterious to individual freedoms". Let me continue with the Prime Minister's words:

The word nationalism—particularly economic nationalism, though it applies to cultural nationalism too—is very often a vehicle of the ruling classes to transfer wealth to themselves.

Bill C-58 does just that. It is a bill to transfer wealth from the conglomerates to themselves, to keep out all competition and to deny the whole thing the government is intending to do; that is, protect the right of citizens to a free choice.

In this whole plan called Bill C-58 as it involves KVOS, *Time* and *Reader's Digest*—and I think *Reader's Digest* is still threatened regardless of a contemporary concession—*MD, Canadian Medicine*, etc., there is absolutely no understanding of the isolation and difference that exists in the west. *Time* provides us with the only in-depth Canadian news as well as a marvellous insight into the whole world. Yes, we can continue to buy *Time*, just as we can buy *U.S. News and World Affairs, Newsweek, Playboy* and *Oui* but none of the latter has Canadian content. They are not published in Canada. The centrefold of *Playboy* only once had Canadian content, as far as I can remember.

Some hon. Members: Oh, oh!

[Mrs. Holt.]

An hon. Member: Was it 80 per cent different?

Some hon. Members: Oh, oh!

Mrs. Holt: It was "substantially the same." If you have seen one centrefold, you have seen them all. We hear this over and over by the proponents of this bill, that we can still get *Time, Reader's Digest* and all these other magazines. They still maintain we have all the freedom in the world to buy these United States magazines and watch these American shows. But there is a big difference. These American magazines do not provide jobs in Canada. They do not provide opportunities to writers and the allied trades. We have settled in respect of *Reader's Digest* so that takes care of Montreal. But the *Time* people are going to lose jobs out in the west. Perhaps these people who say we can still get these magazines are too naive to understand what the difference is between importing them and having them home-developed, and I maintain that *Time* and *Reader's Digest* are home-developed.

Canadian writers, editors and printers work for *Time* and *Reader's Digest*, and in the case of KVOS there are animators, cartoonists, artists, writers and actors who are getting, very often, their first and only opportunity to use and develop their talents. Let this station fold, and where will these people go? I suggest that they will go to Hollywood and other places. They already have contracted out of Vancouver for Hollywood.

These people already have done such things as 52 segments of the "Abbott and Costello" cartoon series, plus work on the "Beatles", "Moby Dick" and "Samson and Goliath". In 1972, they had additional subcontract animation work for "Gidget" and "The Last of the Curling". In 1973 and 1974, they producted 13 half-hour segments of "Wait Till Your Father Gets Home", an adult cartoon series, and two segments of "Count of Monte Cristo". Those are just a few of the things which are being done in the west. These opportunities for the people in this trade are going to be lost.

I cannot tell whether the proponents of this bill who say we should receive *Time* and *Reader's Digest*, U.S.A., in the same way we do other American imported magazines are deliberately telling us falsehoods or just do not understand what is being discussed here. I am also tired of the misconceptions being peddled by those who say that these media groups have been receiving special privileges. That is not true. It is the advertisers who receive the privileges and the right to advertise wherever they want. If only Canadians could understand the principle so deeply involved here! I wish I could convey this to my colleagues, because I feel so very much alone.

Mr. McGrath: You are not alone, Simma; we are all with you.

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member, but her allotted time has expired.

An hon. Member: Carry on.

The Acting Speaker (Mr. Turner): The hon. member may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mrs. Holt: Mr. Speaker, I thought I still had four minutes: I have been watching the time.

An hon. Member: You have more time now.

Mrs. Holt: What is being debated here is the right of choice by corporate citizens, small business of large, to advertise wherever they choose, and to use, if they so choose, the marvellous resource of a long-time landed citizen in Canada. It is the right of the advertisers to advertise in a magazine that to all intents and purposes is Canadian in that it has been a resident here for 32 years or, in the case of KVOS, here on invitation and eagerly welcomed into this country some 20 years ago.

We were happy to get them in the west. They came there after the CBC, and before the CTV. We in the west have a need, and also a right, to read about our country in objective style and in depth and in detail as a part of the entire world scene. We also have the right to watch KVOS and the American networks from across a border, only 30 miles away from Vancouver—just as we have the right to see American network stations on CBC and CTV. If we could find other stations that can give us this programming, we would watch them. When the satellite and converters come into operation, we will be able to get this programming from all over the world.

Will we have cable deletion then? Will the CRTC become the fence, then, for selling stolen goods to Canada? Is that what commercial deletion is? Our cultural diet seems to be forced on us from this part of the world in Toronto, both in the published and the electronic media. I have said this before, that no one has the right to use the law in the wide reaches of this huge country to deprive us of the choice to read and to see and hear what we wish, nor the right to force us to rely on the mean, cynical, parochial and narrow nationalism of the Toronto-controlled media.

This bill, quite certainly, was intended and designed for the assassination of *Time, Reader's Digest, MD, Canadian Medicine,* KVOS and other border stations. Once more I repeat, because they are so appropriate, the words of George Bernard Shaw who said "Assassination is the extreme form of censorship".

Some hon. Members: Hear, hear!

Mr. Jake Epp (Provencher): Mr. Speaker, I am just wondering if we should have a minute of silence so that members on the government benches can put band-aids on their backs to stop the flow of blood.

An hon. Member: They need more than band-aids.

Mr. Epp: I have a few things to say to the minister, and I hope she will start listening. Obviously, up to the present time she has not made a habit of listening to other people.

Mrs. Sauvé: I will listen to you, chum.

Mr. Epp: That is a step in the right direction.

Some hon. Members: Oh, oh!

Mr. Epp: Mr. Speaker, every time I get up to speak, it seems the deputy whip over there wants to make a speech sitting down. Perhaps he might like to change the procedure and get up and make a speech on his feet.

An hon. Member: He can't speak on his feet.

Mr. Epp: Perhaps he cannot stand and speak at the same time.

Some hon. Members: Oh, oh!

Mr. Lalonde: If you have something to say, say it or sit down.

Some hon. Members: Hear, hear!

Mr. Lalonde: Have you got something to say? We are listening.

Mr. Epp: I can understand that the Minister of National Health and Welfare (Mr. Lalonde) would not be too pleased with the preceding speech, but I am afraid he will not have any more luck in what I am going to say, either. He is obviously rather touchy, so this must be getting to him.

● (1620)

The Acting Speaker (Mr. Turner): Order, please. Would the hon. member address his remarks to Bill C-58.

Mr. Epp: Thank you, Mr. Speaker. I am glad that I now have the attention of the minister and may proceed. During the hearings held by the committee, most of the concentration on the provisions relating to television was concerned with the Buffalo operation and KVOS, Bellingham, Washington. I do not wish to spend too much time on that aspect. I am pleased the minister is in the House this afternoon because I shall try to point out the effect this bill would have in a very restricted local area. After this presentation to the minister, hopefully some positive change might be effected. The hearings regarding the two areas I mentioned, Buffalo and Bellingham, involved the CRTC regulations and the proposal that KVOS placed before the members of the committee by which it is willing, in order to expand the industry it started in British Columbia relating to animation and film production, to have "X" number of dollars, to be decided by the CRTC, plowed back, so to speak, into the operation.

The minister shakes her head, but I think this is a proposal which goes much beyond any proposal made by any other television station. I think it bears research and re-examination. KVOS beams into the lower mainland of British Columbia. At the recent CRTC hearings in Vancouver it was revealing to those who live there to discover that members such as the hon. member for Vancouver-Kingsway (Mrs. Holt) were completely supported by most residents of British Columbia in that they want KVOS to remain on the air. I believe the representations that were made to the CRTC, regardless of what the minister or the members of the government might feel, made it obvious that most people in British Columbia who now receive KVOS service do not want that service reduced or eliminated in any way.

Non-Canadian Publications

It is rather astounding to one who does not live in British Columbia to discover that members of the committee from British Columbia, such as the hon. member for Comox-Alberni (Mr. Anderson) and the hon. member for Burnaby-Seymour (Mr. Raines) did not support an accommodation for KVOS in order that it might continue to operate, but in fact seemed very often to be in the forefront of the effort in the committee to have KVOS destroyed and taken off the air.

After the CRTC hearings held in Vancouver regarding the expansion of CBC television in that area, I do not see how members of the government, having fooled their constituents regarding this matter, could be in the forefront of the committee hearings making comments which seemed to fly directly in the face of the views of the people who elected them to this House. Surely it is their function to determine what their constituents feel about such an issue and to make their views known during debate in this House. They have not done so. In fact, they have been in the forefront of the fight against the service which is desired by the people of British Columbia. It is absolutely astounding, to me, that members from British Columbia could make the comments they have regarding the future of KVOS, such as the statements made by the hon. member for Comox-Alberni and the hon. member for Burnaby-Seymour.

I wish to point out to the Minister of Communications (Mrs. Sauvé) the effect Bill C-58 already has had on television coverage in southern Manitoba. During the twenty-ninth parliament a number of applications were made by Manitoba cable companies to the CRTC for cable expansion. These hearings were convened in Winnipeg by the CRTC. The applications were heard at that time. It was felt by a number of residents in my riding, specifically in the Pine Falls area, that in view of the fact that they are some 80 or 90 miles from Winnipeg and have very marginal service from the CBC television station in Winnipeg, they should be able to have cable coverage in the Pine Falls area so there would be improved television service in that area.

They had received the support of a cable company in Winnipeg. This company was willing to move into the area to provide the desired service. So the cable company made the application, with the backing of the local people, in the hope that the application would be approved. All they were asking was that the same cable service be granted to a rural part of Manitoba that is presently being offered in Winnipeg. That was the essence of the application. In view of the attitude of the former minister of communications and the former chairman of the CRTC in respect of cable applications, that application is still pending. That occurred during the twenty-ninth parliament. We are still awaiting a ruling on that application. Every time we make an inquiry we are told that the application has neither been approved nor disapproved. We are told they are awaiting a cable policy announcement by the government.

Having heard the application and having deferred the decision, the CRTC, in essence, to the present time has made a negative decision because the service these people had hoped for has not been forthcoming. The people in that area ask why, when they are willing to pay for it, they cannot have the same type of service that is available in metropolitan areas such as Toronto and Winnipeg? I would appreciate the minister giving an explanation at some time, when she feels it necessary to intervene in this debate, in respect of this question which I believe is fairly straightforward.

In the debate on Friday last, the hon. member for Bruce-Grey (Mr. Douglas), a co-operative and active member of the committee, as recorded at page 10930 of *Hansard* for February 13, 1976 said:

> In a brief answer, Mr. Speaker, I hope the hon. member—

He was referring to the hon. member for Okanagan Boundary (Mr. Wise).

> —will look at the accelerated program that has been introduced in this House to allow places of 500 population or more to receive programming.

I want to point out to the hon. member for Bruce-Grey that we also have difficulties with the so-called accelerated plan. What has happened in respect of Bill C-58 is that for a number of years there has been a so-called border station—or private station as some people are in the habit of calling it—KCND, Pembina, North Dakota. This station, which is close to the forty-ninth parallel, but located in the United States, was beaming generally into the Winnipeg market as well as the surrounding rural area. It was providing for southern Manitobans a third English language television station with the proposals in Bill C-58. I am not trying to say to the minister that it was simply because of Bill C-58 that it happened, but it was part of the package, I feel. KCND felt that if advertisers advertising on KCND could no longer use money spent on advertising as tax write-offs, they would have to stop operations. They did so, and the assets of KCND, Pembina, North Dakota, were sold on the provision that with a successful application to the CRTC by Canawest television, these assets would be sold from KCND, Pembina, North Dakota, to KCND, Winnipeg, associated with Canawest.

● (1630)

Furthermore, KCND is presently associated with the Global network, and so far Winnipegers—I am not speaking of cable users, but viewers in general—now, again, have three English speaking networks, namely, CBC, CTV and Global. Residents living in fairly close proximity to metropolitan Winnipeg are also recipients of those three English television networks. The result is that in the so-called remote areas the CBC—and I chuckle when I hear the word "remote" when I talk to CBC officials, because I am not talking of great distances from metropolitan Winnipeg but, rather, of the towns and villages 50, 60, or 70 miles away from Winnipeg about coverage of CBC in the extreme southeastern part of Manitoba—can supply very few, if any, satisfactory answers.

What happens is this. When KCND went off the air and Global came on, we lost television coverage in southeastern Manitoba in places such as Sprague, Piney and the surrounding areas. The people in this area at least receive KCND, Pembina, North Dakota, extremely well and the coverage is good. The CBC or CTV coverage in that area is virtually non-existent. It depends where you live. In some areas it is better than in others, but on balance the coverage is not good and people have resorted to buying boosters and television antenna rotors in an effort to pull in at least a marginal signal in that area. With the removal of KCND

in this area, people have been deprived of the only good television coverage they receive. I am speaking now of the quality of the signal, rather than of programming.

It is an obvious fact that CBC's purpose is, first of all, public service rather than to show a profit, and these people being Canadian citizens, being taxpayers and contributing to the annual budget of the CBC, should have the right to CBC coverage. Petitions in the area have been drawn up—I think we are at number three both for French and English CBC television coverage—in an effort to bring to them Canadian coverage which is taken for granted in Canada's metropolitan areas—and not only coverage which is added through cable and through the other networks. People in that area, myself included, approached the CBC asking them to start telecasting in that area under the accelerated coverage plan, or ACP. After a number of petitions and a lot of good work from the CBC, the only thing that the CBC has now told us they will do is make an application to CRTC some time in 1978. No one knows when that application will be approved, much less does anyone know when we could expect CBC coverage in that area if the application is approved.

I want to express to the minister, in very clear terms, the effects of Canada's cable policy and of Bill C-58 in a small area, one might say, but nonetheless, an important one. Surely Canadians there are entitled to the same coverage by CBC as any other Canadian in other areas of Canada. For example, we see great expansion under ACP in northern Canada; there is no argument about it. But I find it somewhat difficult to understand, when an area is 60 miles away from a large metropolitan centre like Winnipeg, that we should have to wait until 1978 before an application is made by CBC, much less a decision reached. The lack of coverage is partly due to the fact that we have lost one television station which was giving us a quality signal. Whether or not we want to talk about nationalism, it behooves the ministers responsible to take a look at situations brought before the House by members. We have brought forward these cases in letters, also. I am trying to be difficult about the situation, but I believe our concerns are real.

If the effects of the government's decision were fully understood by the minister, and a clear decision and commitment was made, there would be a lot less opposition to the provisions of Bill C-58. Regarding television coverage at present, all I have seen in my area is a negative result. We have not received the commitments which the people in my constituency deserve as Canadians.

I feel that three things are needed. Possibly they are not that startling, but I believe they bear repeating. First of all, a national broadcasting policy is needed in areas such as I have mentioned. People in these areas will then feel they are part of the national broadcasting network, that they are not second-class, and that they should not have to wait until 1980 before they might get signals when other areas in Canada have had them since the early 1950s. We are speaking about a time lapse of 30 years. Surely that is not acceptable. Second, I hope that the various ministers will use their influence to get the cable matter decided once and for all.

The decisions that are pending before the CRTC, where individual companies, with the support of the residents in various areas, want to expand cable, should be made as soon as possible. I do not think we should simply say that the urban areas should have cable and that the rural areas are not entitled to it. If there are private entrepreneurs and subscribers who want to pay for that service, the area should have it. We have spent much time on this question, and I think that in order to resolve this matter, officials of both the Canadian and the U.S. government should meet. I know that one meeting has taken place. They should meet to discuss the problem of border television on both sides in a mutually co-operative fashion in an effort to solve this problem so that we can move forward.

● (1640)

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I do not intend to prolong the debate, but I want to correct some erroneous impressions put forward by hon. members of the opposition in the Conservative party, and particularly by the hon. member for Vancouver-Kingsway (Mrs. Holt) about what good corporate citizens KVOS and other border stations are.

Let us quickly look at the history of KVOS and how it hopes to benefit from the amendment before us. The KVOS television station first began broadcasting in June, 1953, and its market was Bellingham, in the state of Washington, and northwest Washington. However, after a year of operation it became apparent that this television company would not be able to make a grand profit or a booming success based on that very limited market. So in 1954, KVOS moved its transmitter to Orcas Island so that it could beam more clearly into the Vancouver area. The intersting thing is that it made that move with the approval of the FCC, the American equivalent of our CRTC. The FCC, that same agency, now deletes not just commercials but whole programs from coming into American areas in order to protect local stations.

The FCC realized that to make a television station a success, a certain maket had to be guaranteed, and boundaries are set up to prevent competitors from entering that market to the point where neither television station can survive on the limited commercial revenues there. The FCC accepts that principle. It is realistic and understands the logistics of television advertising revenue, so the FCC does not allow non-local stations to beam into an area which has been licensed to another station. Yet here we are talking about a serious problem for Canadian stations which face the problem of American signals in their areas, which is allowed under international convention.

At the same time that we allow American signals to come in, we allow Canadian advertisers to advertise on these foreign stations and get an income tax deductibility privilege which was designed primarily only for Canadian stations. All this bill seeks to do is end that anomaly and the unfair competition Canadian stations now face.

I heard the hon. member for Vancouver-Kingsway lauding KVOS for setting up a branch plant in Canada and for doing wonderful things for Canada. The way she was extolling this company gave me visions of thousands of jobs, and hundreds for Canadians. Let us examine a little more carefully the nature of KVOS. In British Columbia it employs a grand total of 30 people. As of 1974, Canawest, its film subsidiary, employed a grand total of 18 people. Let

us compare that with employment in Canadian stations under CBC, BC television or a very small and struggling VHF station, CITY-TV in Toronto, which has none of these advantages. The latter does not employ just 18 or 30 people; it employs 105 full-time employees out of revenues which are less than half those of KVOS in Washington and British Columbia. Let us keep things in perspective when we talk about the number of jobs and the great production facilities KVOS provides for Canadians, and compare that with what Canadian stations have been doing out of revenues considerably smaller than those of KVOS. Let us remember that KVOS in Washington gets 90 per cent of its revenue from Vancouver, from Canadian advertisers. It gets 10 per cent of its revenue from the area it was licensed to serve.

KVOS is not licensed by the CRTC to serve the Canadian market. That is important to remember when we consider how our broadcasting system is organized. Because KVOS is not licensed by the CRTC to serve a Canadian market, it does not have to conform to any of the regulations of the Canadian Broadcasting Act which regulates every other television station in this country. KVOS does not have to conform to the 60 per cent Canadian content regulation, which is a perfectly acceptable thing, in my opinion, but is certainly a liability for a number of Canadian stations which have to find revenue to produce unique Canadian programs. KVOS is not bound by that stricture because it is licensed by the FCC in the United States. Any move it makes to conform to the Canadian Broadcasting Act and its provisions, such as the 60 per cent Canadian content provision and the provision to promote Canadian culture and identity for binding Canadian citizens together, is only on a voluntary basis. If we accept any of these amendments, that contribution could be changed at the whim of KVOS.

There is no legal way in which the CRTC can get KVOS in the United States to conform to the requirements of the Broadcasting Act, and to accept the amendments proposed by the Conservatives, the hon. member for Vancouver-Kingsway and the hon. member for Ontario (Mr. Cafik), would be a contradiction and a violation of the very Broadcasting Act this parliament passed and which hon. members on both sides of the House supported.

Let us keep things in perspective when we try to find loopholes by way of amendments. These amendments are completely in contravention of the Broadcasting Act. We learned in committee that United States border stations siphon off annually some $20 million in advertising revenue which normally would go to Canadian television. Why do our advertisers advertise on American television? It is partly to reach an audience, but I think it is important to realize that up to now, by doing so they have been able to get an income tax deductibility privilege whereby they can write off the cost of that advertising.

This bill will not prohibit advertisers from advertising where they want, but it will reserve that tax deductibility for advertising on Canadian television stations only. I think that is perfectly consistent with wanting to strengthen the Canadian television and broadcasting industry. How can we expect Canadian television to expand its broadcasting facilities and develop new and better programs if we continue to encourage an annual outflow of

$20 million? Let us remember that Canadian television must cover the same geographical area as does United States television. Canadian television stations and companies are expected to have the same quality of service and programming as the United States, without the vast financial resources available to American broadcasters.

● (1650)

I wonder if members of this House have ever stopped to calculate the outflow of funds since this kind of advertising policy began. In my estimation, which I have checked with other sources, to date Canadian television has lost about $250 million in advertising revenue. This year KVOS alone, siphoned off $7 million in advertising revenue from the Vancouver market.

Mr. Friesen: Where did it spend it?

Mr. Symes: What does that mean? Money that should have been available for new television stations coming on stream in the Vancouver and Toronto areas is going out of the country. It seems to me the amendment before us leans over backwards to help foreign stations as opposed to Canadian stations. What does that $250 million mean to Canadians, in real terms? It means that about 8,000 man-years of work for Canadian citizens have been lost. I am calculating that at one job for every $30,000 gross revenue. It means that millions of dollars have been lost in tax revenues to the federal government. That outflow of money has meant the loss of hundreds of hours of production that could have provided new and improved Canadian shows. That outflow in the hundreds of millions of dollars of advertising revenue has been undermining the attempts to build a unique Canadian culture—a view of the world and ourselves through new and innovative programming and expanded television service.

Mr. Speaker, I listened again to the hon. member for Vancouver-Kingsway telling us how KVOS has bent over backwards to bring about programming that is of interest to Canadians. I was very interested to read the transcripts of the hearings of the United States committee on foreign affairs, of the House of Representatives, which met on April 25, 1974, at which the president of KVOS was a witness. He spoke of how his station tries to consider the unique Canadian aspect of its audience. He submitted as evidence a list of local public affairs programs of the station for the previous year. It included 421 subjects, of which only 41, or less than 10 per cent, had any relevance for a Canadian audience. I think we should keep this in mind when we hear about how KVOS is a good corporate citizen of Canada. We have heard of the Canawest film subsidiary of KVOS and how it employs 18 Canadians and is producing films and helping the film industry in Canada. Indeed, it is the largest film industry west of Toronto. But it was set up primarily to design video commercials for KVOS. That is the bulk of its business—and we should not forget that, Mr. Speaker. We should keep in perspective the fact that American television stations receive all kinds of protection which we are only seeking to a small degree for Canadian stations.

I should like to refer to a submission of the Canadian Association of Broadcasters, the professionals in the field in Canada, who fully support the legislation. They point

out that American program producers give special protection against Canadian television signals beaming into some of their markets. For example, the Detroit-Windsor area is regarded as one market, with the result that neither the CBC, CTV, Global or any Canadian television station can broadcast into the Windsor area any program which is broadcast by a Detroit station. If Canadian broadcasters buy these programs, it is on the express condition that they may not be shown in Windsor if Detroit has them already. This means that Windsor residents, Canadian citizens, cannot see the full Global or CBC schedule or, previously, the CTV schedule when Windsor had an affiliate.

This is the kind of situation that exists. We have an American group of television stations in the Buffalo area making provision to help their stations against Canadian signals. In the case of KVOS, we have the FCC supporting that station when we know full well it is not licensed, nor can it be the success it is by just beaming into the Washington area. What is at issue is a strong and viable Canadian television broadcasting industry, an industry that is expensive to operate, one that needs funds to improve and expand its operations. For us as a parliament to continue to allow millions of dollars to be siphoned off by encouraging it through a provision in the Income Tax Act is a backward and regrettable step.

It is time we, as Canadians, stood up in support of a legitimate Canadian industry and the concerns facing it in these troubled times.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Winnipeg South Centre (Mr. McKenzie)—External Affairs—Cuba—Possible review of aid program in view of involvement in Angolan war; the hon. member for Mackenzie (Mr. Korchinski)—Veterans Affairs—Delay in processing pension applications—Government action; the hon. member for Yukon (Mr. Nielsen)—Air Transport—Possibility of restrictions on unilingual pilots—Government position.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISIONS ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed consideration of Bill C-58, to amend the Income Tax Act, as reported (without amendment) from the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I think at this point it is important for me to intervene, although I have already spoken in this debate, to put straight some of the things that have been said. I refer specifically to the arguments brought forward by the hon. member for Vancouver-Kingsway (Mrs. Holt). I respect the opinions she has expressed on this problem, but I think it is important to let her and the House know that on the government side we view things a little differently. The hon. member argues that if a special case has been made for *Reader's Digest*, we can make a special case for KVOS. I think that right from the beginning the hon. member has to be stopped in that kind of argumentation. There is no special case for anyone; the same rules will apply to everyone. That is, there will be no exemption for taxation purposes for any American enterprise in this country of the nature we are talking about. There will be no exemption for anyone.

If we recognize there is a special difficulty with *Reader's Digest* because of the very nature of that publication in that it reproduces articles from the entire world and that it is very difficult to define Canadian content in that particular case, we have tried as conscientiously as possible to deal with that problem. It cannot be argued that we have made a special case for *Reader's Digest*. It is especially difficult, therefore, to see how *Reader's Digest* can fit into our criteria.

In regard to this particular station on the border of Canada and the United States, some members speak as though all hell had broken loose. The world will not end because we are to prohibit taxation exemptions in their case. Strangely enough, in English one says "Hell has broken loose," whereas in French one says, "Le ciel nous tombe sur la tête." In French we refer to heaven instead of hell. The sort of arguments one has heard in this House suggests that indeed hell has broken loose.

● (1700)

Mr. Macdonald (Rosedale): In English we say, "The sky is falling."

Mrs. Sauvé: Well, "Le ciel nous tombe sur la tête" means that there has been a catastrophe. Why argue that advertisers in the Vancouver area will not be able to advertise? There will be new outlets. Two new stations in the area are to come on stream and advertisers will have the opportunity to advertise their products. Also, if there is any surplus advertising—and hon. members should think of this—it should go to the magazines, journals and newspapers in the Vancouver area. Why send it down to the United States

in order for it to be fed back to Canadians? We can use our own media to place our own advertisements.

Mr. Symes: Hear, hear!

Mrs. Sauvé: The hon. member argued that KVOS is a good Canadian corporate citizen. I do not know how one can say that. As I understand it, KVOS is a good American corporate citizen, not a Canadian corporate citizen. I can understand why the station wants to be thought of as a good Canadian corporate citizen. I am told that it took $8 million in profits out of B.C. last year. It cannot be considered as a Canadian corporate citizen. It is not even regulated by a Canadian regulatory body or agency. It is regulated by an American authority. Equivalent enterprises in Canada are regulated by the CRTC, the Canadian regulatory body. KVOS cannot, by the very fact that it is in the United States, identify with our needs and our particular sensitivities.

Mr. Wenman: What is the government's position on freedom of choice?

Mrs. Sauvé: One has heard arguments about compensatory measures, about the creation of a fund in order to help us build up the Canadian industry, and so on. Those are totally unacceptable trade-offs. We do not need those trade-offs. We need to protect the revenues of our television industry.

Mr. Wenman: You mean, to protect mediocrity.

Mrs. Sauvé: We need to protect it from loss of revenue so that it can operate on its own and feel its strength in our country and particular environment. We must see if the industry can be viable on its own. We do not want compensatory measures which would confuse the whole picture.

Mr. Wenman: How do you know what the people want?

Mrs. Sauvé: We want our own television stations to earn our money in order that we can build up our own original, indigenous television industry. We want our industry to earn those revenues and so allow artists, artisans and writers of this country to earn their living in this country. Already they find it difficult to earn a living.

An hon. Member: I am sure they earn a living now.

Mrs. Sauvé: If the hon. member will look at statistics on earnings of Canadian artists and artisans in this country he will see that it is difficult for any of them to stay in that field. Revenues are hard to come by. Their scope is limited and their livelihood precarious. I made this speech the other night and I will not repeat it. I hope the hon. member will read it.

Mr. Wenman: I have read it. It says nothing.

An hon. Member: You were not here.

Mr. Wenman: I was here, and I have read it.

Mrs. Sauvé: The hon. member for Vancouver-Kingsway suggested that the government wants to enact this legislation because it does not understand the west. She suggested that we cannot look beyond the Rockies and do not know what is going on in that part of the country. Since becoming a minister I have been out west several times. I know some things about the west. I do not pretend to know more about the west than the hon. member. But I know that the west is not indifferent to the necessity of creating jobs for artists in Canada and of protecting the Canadian television industry.

Mr. Wenman: Is that exactly what the west says?

Mrs. Sauvé: The west sees things our way and knows that we must protect the industry from losses of revenue resulting from American stations broadcasting to this country.

Mr. Wenman: But people want a choice.

Mrs. Sauvé: It is bad that some hon. members, when arguing this problem, should emphasize the so-called alienation of the west from the east. Such arguments are calculated to exercise under pressure on the issue. They arise in connection with just about every problem we discuss. I think that is wrong. It is just as if I raised the so-called French Canadian problem apropos everything we discussed in this House. Such an action would have bad consequences to Quebec. You just cannot do it. We should resolve arguments through logic. That is the sort of discussion I should like to see regarding Bill C-58. Let our discussion be on Bill C-58 and on nothing else.

Some hon. members ask what would happen if the Americans decided to retaliate and charge us the full price for the American shows we view in Canada. They saw, "Would it not be terrible if they charged us the full price?" There is no danger of that. Hon. members opposite should know that. I do not blame the hon. member who raised this argument because she is probably not acquainted with the pricing practices of the television industry. The American industry is following normal marketing practice. The United States runs cost so much and reruns in other countries are priced substantially below the initial price. This is the philosophy underlying the pricing of television shows. The present practice is not abnormal. The United States networks would not change their marketing practices just because they might want to retaliate. To begin with, they negotiated with those who created the shows, with the producers and artists, so much to run in the United States and so much to rerun in Canada, Sweden, France, Spain, and so on. They cannot change that. There is no danger of the kind of retaliation referred to, as if we should be afraid of retaliation any way. Who cares about retaliation? We want to do our own thing. We shall do what is good for us. We are not worried about retaliation.

Some hon. Members: Hear, hear!

Mrs. Sauvé: I think I have covered many of the arguments raised. I should like to answer the hon. member for Provencher (Mr. Epp) who complained that I was not listening to him. I sat here and waited for him to say something. In the end he said a few things to which I should like to reply. Unfortunately, he did not stay in the House and wait for my reply. This will be bad for the hon. member for Provencher, because when he produces copies of his speech to his constituents in order to show that he spoke about radio and television stations in southern

Manitoba, some of his constituents will already have read my speech and will say, "Here are the answers; how can you refute them?"

I spoke on this bill previously and I have kept my present remarks short. I merely wanted to set straight some misconceptions and to make a few necessary points.

The Acting Speaker (Mr. Turner): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Turner): The question is on the amendment to motion No. 7 in the name of the hon. member for Winnipeg South Centre (Mr. McKenzie).

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner): Pursuant to Standing Order 75(11) the recorded division on the proposed amendment stands deferred.

● (1710)

Mr. Benno Friesen (Surrey-White Rock) moved:

Motion No. 8.

That Bill C-58, to amend the Income Tax Act, be amended in clause 3 by striking out line 12 at page 2 and substituting the following therefor:

"of being extended or renewed; or

(c) a written agreement entered into after the coming into force of this section with a Canadian subsidiary of a foreign broadcasting undertaking if not less than seventy-five per cent of the voting shares of the said Canadian subsidiary are beneficially owned by Canadian citizens and a percentage of the gross revenues of the said Canadian subsidiary, to be agreed upon by the said Canadian subsidiary and the Canadian Radio-Television Commission, less only normal advertising agency and sales agencies commissions, is allocated directly to Canadian television program production, extension of Canadian television service, or other broadcasting objectives for the benefit of Canada: an allocation so made to be pursuant to a plan made by the Commission and approved by the Minister of the Department of National Revenue.".

The Acting Speaker (Mr. Turner): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner): In my opinion the nays have it.

And more than five members having risen:

Non-Canadian Publications

The Acting Speaker (Mr. Turner): Pursuant to section (11) of Standing Order 75, the recorded division on the proposed motion stands deferred.

Mr. Benno Friesen (Surrey-White Rock) moved:

Motion No. 9

That Bill C-58, to amend the Income Tax Act, be amended in clause 3 by striking out line 12 at page 2 and substituting the following therefor:

"of being extended or renewed, or

(c) a written agreement entered into after the coming into force of this section with a Canadian subsidiary of a foreign broadcasting undertaking if a sum of money in the amount of twenty-five per cent of the gross revenues of the said Canadian subsidiary less only normal advertising agency and sales agency commissions, is used for Canadian television program production, extension of Canadian television service, educational television or other broadcasting objectives for the benefit of Canada: the method of utilization of such amount to be determined by the Canadian Radio-Television Commission and approved by the Minister of the Department of National Revenue.".

The Acting Speaker (Mr. Turner): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner): Pursuant to section (11) of Standing Order 75, the recorded division on the proposed motion stands deferred. Motion No. 10 is consequential on the other three motions, and therefore it must stand.

Mr. Bob Wenman (Fraser Valley West) moved:

Motion No. 11.

That Bill C-58, to amend the Income Tax Act, be amended by deleting clause 3.

The Acting Speaker (Mr. Turner): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner): Call in the members. The House will now proceed to the taking of the deferred divisions.

Non-Canadian Publications

● (1750)

(*Division No. 104*)

The House divided on the amendment (Mrs. Holt) to motion No. 4 which was negatived on the following division:

(*Division No. 104*)

YEAS

Messrs.

Alexander
Baker (Grenville-Carleton)
Baldwin
Balfour
Beatty
Beaudoin
Cadieu
Caouette (Villeneuve)
Clarke (Vancouver Quadra)
Coates
Cossitt
Crouse
Dinsdale
Elzinga
Epp
Fairweather
Flynn
Forrestall
Friesen
Gauthier (Roberval)
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hnatyshyn
Holt (Mrs.)
Hurlburt
Jarvis
Johnston
Jones
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Edmonton West)
Lawrence
MacDonald (Egmont)
MacLean
Malone
Masniuk
Mazankowski
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nielsen
Oberle
O'Sullivan
Paproski
Roche
Rynard
Schellenberger
Scott
Stanfield
Stewart (Marquette)
Towers
Wenman
Whittaker
Woolliams
Yewchuk—63.

NAYS

Messrs.

Abbott
Anderson
Andras (Port Arthur)
Basford
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Blouin
Boulanger
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Clermont
Collenette
Comtois
Condon
Cullen
Cyr
Danson
Demers
Douglas (Bruce-Grey)
Douglas (Nanaimo-Cowichan-The Islands)
Drury
Dupras
Ethier
Faulkner
Foster
Fox
Gauthier (Ottawa-Vanier)
Gillespie
Goodale
Gray
Guay (St. Boniface)
Guilbault
Harquail
Herbert
Isabelle
Knowles (Winnipeg North Centre)
Lachance
Lajoie
Lalonde
Lang
Langlois
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
Maine
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Munro (Hamilton East)
Nicholson (Miss)
Nystrom
Orlikow
Pearsall
Pelletier
Penner
Peters
Philbrook
Poulin
Prud'homme
Railton
Reid
Richardson
Rodriguez
Roy (Laval)
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Symes
Trudeau
Turner
Whelan
Yanakis
Young—93.

Mr. Speaker: I therefore declare the amendment lost.

[The Acting Speaker.]

Amendment (Mrs. Holt) negatived.

● (1800)

Mr. Speaker: The question is upon motion No. 4 standing in the name of Mr. Cafik.

The House divided on motion No. 4 (Mr. Cafik) which was negatived on the following division:

(*Division No. 105*)

YEAS

Messrs.

Alexander
Baker (Grenville-Carleton)
Baldwin
Balfour
Beatty
Beaudoin
Cadieu
Cafik
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caouette (Villeneuve)
Clarke (Vancouver Quadra)
Coates
Cossitt
Crouse
Dinsdale
Elzinga
Epp
Fairweather
Forrestall
Friesen
Gauthier (Roberval)
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hnatyshyn
Holt (Mrs.)
Hurlburt
Jarvis
Johnston
Jones
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Edmonton West)
Lawrence
MacDonald (Egmont)
MacLean
Malone
Martin
Masniuk
Mazankowski
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nielsen
Oberle
O'Sullivan
Paproski
Roche
Rynard
Schellenberger
Scott
Smith (Churchill)
Stanfield
Stewart (Marquette)
Towers
Wenman
Whittaker
Woolliams
Yewchuk—66.

NAYS

Messrs.

Abbott
Anderson
Andras (Port Arthur)
Basford
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Blouin
Boulanger
Bussières
Caccia
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Clermont
Collenette
Comtois
Condon
Cullen
Cyr
Danson
Demers
Douglas (Bruce-Grey)
Douglas (Nanaimo-Cowichan-The Islands)
Drury
Dupras
Ethier
Faulkner
Foster
Fox
Gauthier (Ottawa-Vanier)
Gillespie
Goodale
Gray
Guay (St. Boniface)
Guilbault
Harquail
Herbert
Isabelle
Knowles (Winnipeg North Centre)
Lachance
Lajoie
Lalonde
Lang
Langlois
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
Maine
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
McIsaac
McRae
Milne
Munro (Hamilton East)
Nicholson (Miss)
Nystrom
Orlikow
Pearsall
Pelletier
Penner
Peters
Philbrook
Poulin
Prud'homme
Railton
Reid
Richardson
Rodriguez
Roy (Laval)
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Symes
Trudeau
Turner
Whelan
Yanakis
Young—90.

Mr. Speaker: I therefore declare motion No. 4 lost.

Motion no. 4 (Mr. Cafik) negatived.

Mr. Speaker: The next question which was deferred is the amendment (Mr. McKenzie) to motion no. 7.

The House divided on the amendment (Mr. McKenzie) to motion No. 7 which was negatived on the following division:

(Division No. 106)

YEAS
Messrs.

Alexander
Baker (Grenville-Carleton)
Baldwin
Balfour
Beatty
Cadieu
Clarke (Vancouver Quadra)
Coates
Cossitt
Crouse
Dinsdale
Elzinga
Epp
Fairweather
Forrestall
Friesen
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hnatyshyn
Holt (Mrs.)
Hurlburt
Jarvis
Johnston
Jones
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Edmonton West)
Lawrence
MacLean
Malone
Masniuk
Mazankowski
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nielsen
Oberle
O'Sullivan
Paproski
Roche
Rynard
Schellenberger
Scott
Smith (Churchill)
Stanfield
Stewart (Marquette)
Towers
Wenman
Whittaker
Woolliams
Yewchuk—59.

NAYS
Messrs.

Anderson
Andras (Port Arthur)
Basford
Beaudoin
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Blouin
Boulanger
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caouette (Villeneuve)
Clermont
Collenette
Comtois
Condon
Cullen
Cyr
Demers
Douglas (Bruce-Grey)
Douglas (Nanaimo-Cowichan-The Islands)
Drury
Dupras
Ethier
Faulkner
Flynn
Foster
Fox
Gauthier (Roberval)
Gauthier (Ottawa-Vanier)
Gillespie
Goodale
Gray
Guay (St. Boniface)
Guilbault
Harquail
Herbert
Isabelle
Knowles (Winnipeg North Centre)
Lachance
Lajoie
Lalonde
Lang
Langlois
Laniel
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lumley
MacDonald (Cardigan)
MacDonald (Egmont)
Macdonald (Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
Maine
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Munro (Hamilton East)
Nicholson (Miss)
Nystrom
Orlikow
Pearsall
Pelletier
Penner
Peters
Philbrook
Poulin
Prud'homme
Railton
Reid
Richardson
Rodriguez
Roy (Laval)
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Symes
Trudeau
Turner
Whelan
Yanakis
Young—97.

● (1810)

Mr. Speaker: I therefore declare the amendment lost.

Amendment (Mr. McKenzie) negatived.

Mr. Speaker: The question is therefore on motion No. 7 standing in the name of Mr. Friesen.

The House divided on motion No. 7 (Mr. Friesen) which was negatived on the following division:

(Division No. 107)

YEAS
Messrs.

Alexander
Baker (Grenville-Carleton)
Baldwin
Balfour
Beatty
Cadieu
Clarke (Vancouver Quadra)
Coates
Cossitt
Crouse
Dinsdale
Elzinga
Epp
Fairweather
Forrestall
Friesen
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hnatyshyn
Holt (Mrs.)
Hurlburt
Jarvis
Johnston
Jones
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Edmonton West)
Lawrence
MacLean
Malone
Masniuk
Mazankowski
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nielsen
Oberle
O'Sullivan
Paproski
Roche
Rynard
Schellenberger
Scott
Smith (Churchill)
Stanfield
Stewart (Marquette)
Towers
Wenman
Whittaker
Woolliams
Yewchuk—59.

NAYS
Messrs.

Anderson
Andras (Port Arthur)
Basford
Beaudoin
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Blouin
Boulanger
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caouette (Villeneuve)
Clermont
Collenette
Comtois
Condon
Cullen
Cyr
Demers
Douglas (Bruce-Grey)
Douglas (Nanaimo-Cowichan-The Islands)
Drury
Dupras
Ethier
Faulkner
Flynn
Foster
Fox
Francis
Gauthier (Roberval)
Gauthier (Ottawa-Vanier)
Gillespie
Goodale
Gray
Guay (St. Boniface)
Guilbault
Harquail
Herbert
Isabelle
Knowles (Winnipeg North Centre)
Lachance
Lajoie
Lalonde
Lang
Langlois
Laniel
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lumley
MacDonald (Cardigan)
MacDonald (Egmont)
Macdonald (Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
Maine
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Munro (Hamilton East)
Nicholson (Miss)
Nystrom
Orlikow
Pearsall
Pelletier
Penner
Peters
Philbrook
Poulin
Prud'homme
Railton
Reid
Richardson
Rodriguez
Roy (Laval)
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Symes
Trudeau
Turner
Whelan
Yanakis
Young—98.

Non-Canadian Publications

● (1820)

And the result of the vote having been announced:

Mr. Baker (Grenville-Carleton): Mr. Speaker, I think that inadvertently I was counted twice. I do not want to overdo my welcome among my colleagues. I think that I was counted twice because I shifted from my seat. The first vote only should be counted.

Mr. Speaker: Order, please. To answer the point raised by the hon. member for Grenville-Carleton (Mr. Baker), I am sure it will be quite easy to verify, by checking the record, whether or not a vote or two was accidentally cast on my left. We can certainly check that. Because of the figures announced it is obvious, in any event, that no inaccurate result has been recorded or intended, I am sure. Accordingly, we can check the record and make sure that *Hansard* accurately reflects the votes cast.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The hon. member for Saint-Denis on a point of order.

Mr. Prud'homme: Mr. Speaker, I would like to raise a point of order, since it is our right to do so. We should make sure that the hon. member who has just said how he voted is really the only one who has voted in this way. But, unless I am mistaken, it seems to me there are many hon. members in the same situation and I would like them to tell the House how they voted in the division we have just taken. I think it may be a good idea to check right away what will appear tomorrow in *Hansard*.

[*English*]

Mr. Mazankowski: Mr. Speaker, I rise on a point of order, in response to the hon. member's remarks. I think that you, Mr. Speaker, explained the position clearly. I think the record will signify how my vote was cast, and my first vote is the right one.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, while you are dealing with that point of order, will you tell the House what you intend to do about the hon. member for Mississauga (Mr. Abbott) who walked out in the middle of the taking of the vote on the amendment to motion No. 7?

Mr. Speaker: Order, please. I was hoping that neither matter would be brought to the attention of the House. The fact is that it appears that a number of members to my left have voted twice. I hope the House will agree that, if after verification it is shown that some hon. members voted a second time, they did so inadvertently, as they explained to the House. It is their first vote of the two which, I take it, shall apply. That does not in any way change the result.

With respect to the point of order involving the hon. member for Mississauga (Mr. Abbott), his action clearly contravened a custom and rule of the House, namely, one which says that no hon. member shall rise or move about during the taking of a vote. It is abundantly clear that during the taking of the vote on the amendment to motion No. 7 the hon. member for Mississauga rose while the yea votes were being counted. He resumed his seat during the taking of the votes against the amendment, then rose and left the Chamber. His actions clearly contravene the rules. Again, and fortunately for the House, that does not in any way interfere with the results of the vote and, for the moment, perhaps the best thing would be for the Chair to take under advisement the question as to whether any action ought to be taken in respect of the actions of the hon. member.

Mr. Baldwin: Mr. Speaker, I rise on a point of order. With regard to the next two votes on motions 8 and 9 it has been generally understood that these motions are tied in with No. 7. We hoped to show our support for the amendments and displeasure with the bill on division, and wish to dispose of that part of the bill without calling for a recorded vote.

Mr. Speaker: Order, please. Is it the sense of the House that, a not uncomplicated result having been obtained on motion No. 7, motion No. 8 shall be deemed to be lost on division and that motion No. 9 shall be deemed to be lost on division? Does the House agree?

Some hon. Members: Agreed.

Motion No. 8 (Mr. Friesen) negatived.

Motion No. 9 (Mr. Friesen) negatived.

Mr. Speaker: There is before the House the further deferred division on motion No. 11 in the name of the hon. member for Fraser Valley West (Mr. Wenman). Shall the same result obtain as for the other two motions?

An. hon. Member: No.

Mr. Speaker: The question is on motion No. 11.

The House divided on motion No. 11 (Mr. Wenman) which was negatived on the following division:

(Division No. 108)

YEAS

Messrs.

Alexander	Hnatyshyn	Muir
Baker (Grenville-Carleton)	Holt (Mrs.)	Munro (Esquimalt-Saanich)
Baldwin	Hurlburt	Murta
Balfour	Jarvis	Neil
Beatty	Johnston	Nielsen
Cadieu	Jones	Oberle
Clarke (Vancouver Quadra)	Kempling	O'Sullivan
Coates	Knowles (Norfolk-Haldimand)	Paproski
Cossitt	Korchinski	Roche
Crouse	Lambert (Edmonton West)	Rynard
Dinsdale	Lawrence	Schellenberger
Elzinga	MacLean	Scott
Epp	Malone	Smith (Churchill)
Forrestall	Masniuk	Stanfield
Friesen	Mazankowski	Stewart (Marquette)
Hamilton (Qu'Appelle-Moose Mountain)	McCleave	Towers
Hamilton (Swift Current-Maple Creek)	McGrath	Wenman
	McKenzie	Whittaker
	McKinley	Woolliams
	McKinnon	Yewchuk—58.
	Mitges	

NAYS
Messrs.

Anderson
Andras
(Port Arthur)
Basford
Beaudoin
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Blouin
Boulanger
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Caouette
(Villeneuve)
Caron
Clermont
Collenette
Comtois
Condon
Cullen
Cyr
Demers
Douglas
(Bruce-Grey)
Douglas
(Nanaimo-Cowichan-
The Islands)
Drury
Dupras
Duquet
Ethier
Faulkner
Flynn
Foster
Fox
Francis
Gauthier
(Roberval)
Gauthier
(Ottawa-Vanier)
Gillespie
Goodale
Gray
Guay
(St. Boniface)
Guilbault
Harquail
Herbert
Isabelle
Knowles
(Winnipeg
North Centre)
Lachance
Lajoie
Lalonde
Lang
Langlois
Laniel
Lapointe
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lefebvre
Leggatt
Lessard
Lumley
MacDonald
(Cardigan)
MacDonald
(Egmont)
Macdonald
(Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
Maine
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Munro
(Hamilton East)
Nicholson (Miss)
Nystrom
Orlikow
Pearsall
Pelletier
Penner
Peters
Philbrook
Poulin
Prud'homme
Railton
Reid
Richardson
Rodriguez
Roy
(Laval)
Sauvé (Mrs.)
Sharp
Smith
(Saint-Jean)
Symes
Trudeau
Turner
Whelan
Yanakis
Young—100.

● (1830)

Mr. Speaker: I therefore declare motion No. 11 lost.

Motion No. 11 (Mr. Wenman) negatived.

Mr. Speaker: In earlier discussion it was understood that motion No. 10 was consequential upon any one of motions Nos. 7, 8, or 9. I take it that those motions having all been lost, there is no necessity for a division motion No. 10. Is it agreed?

Some hon. Members: Agreed.

Motion No. 10 (Mr. Friesen) negatived.

Mr. Speaker: There has been some suggestion that the House adjourn until 8:30 instead of eight o'clock. Is that agreed?

Some hon. Members: Agreed.

Mr. Baldwin: Mr. Speaker, some hon. members would like to reflect on what they have done.

Some hon. Members: Hear,hear!

Some hon. Members: Oh, oh!

Mr. Speaker: By order of the House I therefore leave the chair until 8:30 later this day.

At 6:34 p.m. the House took recess.

Non-Canadian Publications

AFTER RECESS

The House resumed at 8:30 p.m.

Mr. Blais: On a point of order, Madam Speaker, with reference to motion No. 5. the hon. member for Vancouver-Kingsway (Mrs. Holt) indicated to me before dinner that she did not intend to proceed with that motion. I have passed this information on to the hon. member for Surrey-White Rock and we should therefore proceed with motion No. 6.

The Acting Speaker (Mrs. Morin): Is there unanimous consent that Motion No. 5. be withdrawn?

Some hon. Members: Agreed.

Motion No. 5 (Mrs. Holt) withdrawn.

Mr. Benno Friesen (Surrey-White Rock) moved Motion No. 6:

That Bill C-58, an act to amend the Income Tax Act, be amended by deleting clause 2.

He said: Madam Speaker, the amendment I have submitted covers a small and seemingly innocuous provision in Bill C-58, but one which actually has subtle and far-reaching implications.

I would begin by referring hon. members to the record of the meetings of the Committee on Broadcasting, Films and Assistance to the Arts at page 31:20. The Secretary of State (Mr. Faulkner) was appearing before the committee and I should like to read the statement he made on December 4, 1975. He was answering a question put to him by the hon. member for Champlain (Mr. Matte).

If you take a look at what the Canada Council is doing in terms of supporting book publishing and supporting publishing in the literary field, in the social sciences and the humanities, in the learned journals, plus some of the things we are doing in the Department of the Secretary of State, you will see that collectively constitutes the elements of the cultural policies and the objectives that those policies are designed to serve.

I could provide that for you, I just do not have it here, but I have it in that form in my office. I would be pleased to let you have it if the committee were interested. In fact, I would frankly welcome a discussion by the members of the committee on that broader subject, because I often find that people do not fully understand what we are doing. That is obviously not correct.

This scares me. I think it is not only the prerogative but the responsibility of the Secretary of State to provide cultural facilities to the people of Canada. But when the Secretary of State begins talking about providing a cultural policy for the people of Canada I become frightened, because as I page through the history books I find stories of other nations which put forward cultural policies for their people and which came to a sad end. I invite the government to disassociate itself from any plan which proposes a cultural policy for the people of Canada—Cultural facilities, yes; a cultural policy, no!

I would therefore like to begin my speech this evening by offering some background information which I believe is pertinent to the discussion in which we are engaged. When we talk about cultural values we are, ultimately, talking about a conflict between the new and the old, between revolutionary and traditional values. There is a very delicate balance between the two, and I submit the

legislation before us helps to destroy this delicate balance in our society.

I would begin by referring to the words of an individual who was very concerned about his culture, a man with whose work I am sure all hon. members are familiar. I refer to W. B. Yeats, a great Irish poet and a great Irish nationalist who was concerned not only with revolutionary ideas but with Irish tradition, working in areas like the theatre, poetry and the other media. What he wanted was a new Ireland, for himself, his family and his descendants. But the idea I want to impress upon the House is this: as much as he was imbued with revolutionary thinking and as much as he wanted a new world, a new Ireland for his children, when it came to his concern for his own daughter he left his revolutionary tendencies aside and wrote:

And may her bridegroom bring her to a house
Where all's accustomed, ceremonious . . .
How but in custom and in ceremony
Are innocence and beauty born?

It was all well and good for Yeats to be a revolutionary thinker, but when it came to his concern for his own daughter he looked not for revolution but for security. I might set against this two lines he had written a little earlier:

For arrogance and hatred are the wares
Peddled in the thoroughfares.

This, I believe, is the trend in our culture today. We are losing respect for the past, we are losing respect for those things that have been handed down to us, and we are coming quickly to that point to which Yeats referred when he said:

● (2040)

For arrogance and hatred are the wares
Peddled in the thoroughfares.

—because we do not have that connection with the past anymore. I would suggest to hon. members that in our quiet moments what we are looking for is not change as much as security.

Let me suggest, Madam Speaker, that Bill C-58 disregards this need for security when it includes in its measures a provision such as Section 19(4)(b) which states:

(b) any publication the principal function of which is the encouragement, promotion or development of the fine arts, letters, scholarship or religion.

I see no reason why we should single out these areas which are the preserves of our culture and give us ties to the past and security to the present. There is no reason why we should work on them.

I would, with your indulgence, Madam Speaker, like to present a rather lengthy but, I believe, consistent argument as to why this motion of mine should be adopted, and why journals relating to fine arts, letters, scholarship or religion ought to remain in Canada unmolested.

This is an age of specialization and I have heard it said that a specialist is someone who knows more and more about less and less. In our society we are demanding specialization ever earlier each year. It used to be that no one had to major or know what they were going to major in until late in their university years. Now we require high school students to know what their majors will be, and we are even beginning to require this of junior high kids, and pretty soon it will be that elementary school children will have to know what their majors are to be, and will have to know what they plan to do when they are adults.

More and more we are moving to this age of specialization. University students must specialize in their last years and become proficient in one field. The whole field of research forces the individual to focus on an ever-narrowing spectrum. There was a time when courses in biology, chemistry, physics, English, history and mathematics were enough and were sufficiently adequate. The more we discover about each field the more our curiosity became inflamed and, the more we gave closer and closer attention to the minutest detail. Now we have come to the place where there is no such thing any more as an insignificant detail. The microcosm today is just as important, if not more important at times, as a macrocosm, and perhaps even more mysterious and fascinating.

Years ago in biology one professor was doing research on one enzyme, and the guess at that time was that there were hundreds of enzymes to be studied. This man was studying only one. Now the study of biology is only at the beginning of the threshold of knowledge in that field and we are moving into areas of bio-physics and bio-chemistry, and on the other side into bio-mass. The more we specialize the more we are awed by complexities but also the more abstract we become.

Not too long ago a friend of mine was having trouble with her hand. She went to a general practitioner whom she usually consulted and that man sent her not to a specialist, not simply to a hand specialist, but to a specialist who specialized in the right hand. This is how abstract and how specialized we are becoming in our science today.

Where would we be today but for neurosurgeons, eye surgeons, aural surgeons, internal specialists, heart specialists, and maybe plastic surgeons? All of these specialist face the impact of extracting the area of specialization from the rest of the person.

It so happens that when patients visit doctors today they are no longer patients, they are cases. Social workers do not have people anymore, they have case loads. Doctors do not operate on people any more, they perform appendectomies, dentists perform extractions, psychiatrists treat manic depressives, paranoia, schizophrenia, etc. They do not treat people. We have become so specialized in terms of the ills of our society we are not treating people anymore, we are treating sicknesses. This is the threat of being professional. The organ demands all our attention till we forget the organism. The organism is so intricate we forget the psyche, and the psyche is so complex we forget the person. The astounding fact is that we are all three; we are body, soul and spirit. All three of these are related and all three need attention.

We have been so mesmerized by professionalism, with the abstract sections separated from the whole, that the parts too often have lost their meaning to the whole. I am reminded of a writer of some 150 years ago who found this particular situation facing his particular society. When we would have still thought it primitive he was already concerned with the complexities of his society when he said:

And he can read lectures upon innocence;

A miracle of scientific lore,
Ships he can guide across the pathless sea,
And tell you all their cunning; he can read
The inside of the earth, and spell the stars;
He knows the policies of foreign lands;
Can string you names of districts, cities, towns,
The whole world over, tight as beads of dew
Upon a gossamer thread; he sifts, he weighs;
All things are put to question; he must live
Knowing that he grows wiser every day
Or else not live at all, and seeing too
Each little drop of wisdom as it falls
Into the dimpling cistern of his heart:
For this unnatural growth the trainer blame,
Pity the tree.—Poor human vanity,

That is the tendency.

Mr. Sharp: Beautifully done.

Mr. Friesen: I see that the individual who is standing in for the Prime Minister (Mr. Trudeau) appreciates poetry, and I compliment him for that.

An hon. Member: It's better than your usual speech.

Mr. Friesen: He could not but enjoy Wordsworth.

Mr. Guay (St. Boniface): He said that you are better than average tonight.

Mr. Friesen: The fact is I think so too!

An hon. Member: If it were only shorter!

Mr. Friesen: The fact is that we have abstracted ourselves in another devastating way. We are so pleased with what we have accomplished we are walking about, like Nebuchadnezzar saying, "Look at this great Babylon I have built; look what I have accomplished." We are just the same as he, so impressed with what we have accomplished we have forgotten that all our accomplishments are built on past wisdom.

Some months ago the Secretary of State introduced Bill C-33 and we passed it. It was designed to preserve our antiques, our works of art, and our cultural artifacts. That was a good bill, because you see the past is the prologue to the present. From the past we gain reference points which we need for today to measure ourselves. We think today that we have accomplished a lot by our architecture, our science, and our engineering. If we look at only our accomplishments and think we have arrived at a reasonable design and development, then all we need to do is look into the past and see that there were other civilizations which had done equally well, and in some cases maybe even better.

● (2050)

The anthropology books and the archaeology books are full of examples of past societies in which the plumbing, I am sure, was in many ways as good if not better than ours. The library in Alexandria was so filled with books that when the Turks captured the city they used the books as fuel for 20 years. Where would we be without the mathematics of Newton and Kepler, or the research of Pasteur?

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What would Buckminster Fuller have done without the mathematics of the Egyptians? Where would medicine be today without the work done by the Greeks and Moslems, and where would Picasso be without the exposure to the primitivism of African art? Bertholt Brecht learned from Shaw, who learned from Shakespeare, who learned from the Greeks. Here we have wheels within wheels within wheels. Unless we catch the inextricable bond we have with the past we lose our moorings, we drift on a sea of disassociated human entities.

An hon. Member: You are adrift.

Mr. Friesen: Some people here missed the drift a long time ago. Today we have become so cocky we have conned ourselves into an existential nightmare thinking that we can never discover our authentic selves unless we cut our moorings from each other and from our past.

An hon. Member: Look at yourself.

Mr. Friesen: Sometimes I do. I do examine myself on these scores. When we disassociate ourselves from the past that is where the confusion begins and is compounded, and we actually lose our identity. The beautiful part of life is that we find our identity when we relate to each other not separate from each other. We become persons when we identify with people rather than disassociate ourselves from them. We find our wholeness in cosmic relationships, not fragmented abstract ones. That is precisely what publications like *M.D.*, *Art* or religious publications are all about. These publications are here not to see what they can get out of us but what they can impart to us.

They want to leave with us their richness and the fullness of relatedness. These periodicals join us to our humanity; they unite us to our total being. They enrich us by relating us to our past and to our present. These are the humanizing vehicles. They give the doctor, the engineer, the physicist, and the layman contact with themselves, and contact with their past. They do this so that these people can better relate to the people around about them.

Specialty periodicals abound. They sharpen the intellect. There are some whose total mission is to tenderize the heart. They are here to serve. And we want to make it more difficult for them. We want to see how we can complicate their work and make it more difficult for them to operate in Canada. Have we become so small, so smug, so isolated in our nationalism that we feel we have need of nothing? And is our national identity so fragile and our economy so brittle that we feel threatened by a few thousand magazines? Have we become so dehumanized that we have not only lost all feeling but do not even remember what it is like to have that need?

If we deny publications like *M.D.*, fine arts periodicals or religious periodicals the right of free access into our offices, into our minds, and into our hearts, we are of all men most miserable. We will in fact hasten the day of 1984, a brave new world, a clockwork orange. If we let our feelings grow beyond our intellect we will become as confused children. But if we let our rational being, our intellect outstrip our sense of feeling, we will become machines, robots, goose-stepping our way to self destruction. We get periodicals like those I have mentioned not

simply or primarily to preserve the periodical but rather to preserve ourselves and our humanity.

I know there are members in this House who are in the medical profession. I would like to pay a tribute to the hon. member for Lambton-Kent (Mr. Holmes) who spoke on behalf of the periodical *MD* before the Christmas recess. He spoke in glowing terms of what a periodical like *MD* meant to him in his profession.

I recognize also that there are other members in this House from the medical profession who do not care for the magazine. I listened to the hon. member for Halton (Mr. Philbrook) who said it was worthless so far as he is concerned. That is a choice he can make. I would simply refer hon. members to the editorial pages and to the letters to the editor, and let them read for themselves the testimonials other people have given to the periodical. They have stated what this magazine has meant to them. If there are hon. members in this House who feel it is of little value to them, let them ignore it. That is a choice they can make. But why should that be a reason to deny other members of the medical profession the right to the pleasure of reading this kind of a periodical?

I would hasten to point out that the purpose of this periodical is to provide that kind of information, that kind of cultural content that will give the doctors a new dimension in their practice, that will help them relate to their patients in a new and vital way, and which will in fact humanize their practice.

There are members of the profession in this House who have testified to that fact. When I read the letters to the editor and when I consider all the people who have asked for reprinted articles from *MD* I recognize that that publication serves a very valuable function in our society.

I know there are members in this House who feel that a periodical that goes to members of the profession free of charge threatens the publication industry. The hon. member for Sault Ste. Marie (Mr. Symes) has indicated that it would in fact threaten industry in Canada. Really there is no such threat. *MD of Canada* does not compete with any other journal in Canada. Thus its elimination will in no way strengthen any other periodical in Canada because there is no periodical like it, nor does there seem to be one intended for the profession. If members think that a periodical that has its origin in the United States is a threat to us, we still have the Foreign Investment Review Act that has jurisdiction, and in that way we can consider any industry in Canada that has relationships with a foreign country. So I would simply ask members of the House to look at this periodical to see in what way it is a threat to the periodical industry in Canada, and to see whether the asset of having this kind of publication in our country outweighs the detriment.

We are in no way threatened by the periodicals. We are in fact the benefactors. Their research, skills and culture will make us richer for having these periodicals with us. I would ask hon. members to consider this motion and adopt it in order to preserve this dimension in our society.

● (2100)

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the hon. member for Surrey-White Rock (Mr. Friesen) is always so eloquent with such beautiful phrases that I cannot bring myself to say anything against him, so I have researched the subject and I have come up with something that hon. members opposite will cherish just as I have cherished the words of the previous speaker.

The hon. member for Edmonton West (Mr. Lambert) is quoted in *Hansard* of June 14, 1965, as saying:

> I do not believe the two publications that are singled out merit this rather favourable treatment they are receiving.

As a matter of fact hon. members opposite at that time were busy arguing that the government had simply not gone far enough. However, at the outset I would like to re-emphasize my support for Bill C-58 and for our government's efforts to encourage healthy and independent Canadian magazine publishing and broadcasting industries. After all, that is the main objective of this legislation and it is an objective which I would hope no member of this House could disagree with or lose sight of through the course of this rather turgid debate in which we have engaged for some time.

However, much as I endeavour to extend Christian charity to the hon. member for Surrey-White Rock—and of course we all know that we must extend charity to members opposite in this trying time for them—I can well see the new leader of the Tory party coming into his first caucus and addressing his colleagues, after being greeted with loud applause as he enters. He will select the hon. member for Surrey-White Rock and say:

> Speak the speech, I pray you
> As I pronounced it to you, trippingly on the tongue;
> But if you mouth it, as many of your players do,
> I had as lief the town-crier spoke my lines.

I need not go on, but that is the way it may be.

I find it difficult to reconcile the hon. member's amendment to Bill C-58 with the important objective of this piece of legislation. The hon. member is asking us to delete clause 2 from Bill C-58 or, in other words, to leave in the Income Tax Act subsection 19(4) which classifies as Canadian certain foreign owned publications which have as their principal function "the encouragement, promotion or development of the fine arts, letters, scholarship or religion." In return, of course, the Canadian edition of these publications must have made at least a token move toward the inclusion of Canadian content and Canadian editorial direction.

As far as this goes I considered it to be quite acceptable, but let us look for a moment at the government's reason for wanting to delete this clause and the arguments being put forward for its retention. The government has decided that, whatever contributions these magazines may make to Canadian culture, Canadian arts, letters, scholarship or religion, or to the Canadian publishing industry, such contributions do not justify the profits that they have made solely because of their artificial status as "Canadian" magazines.

The arguments against this move have ranged from the intrinsic quality of the magazines to nothing less than the "freedom of the press" and the "cultural deprivation" of this country to the hon. member for Surrey-White Rock's own alleged concern about "the free concourse of information in a society" and his rather histrionic allusions to the

decadence of imperial Persia and the fall of the Roman empire. I find it rather difficult to draw those analogies to this particular argument when what we are really speaking about are these magazines. It is hardly the Persian empire. In any event, really the most important part of these magazines' objections to their sudden disenfranchisement as ersatz Canadians is only one point.

The Acting Speaker (Mrs. Morin): Would the hon. member permit a question from the hon. member for Surrey-White Rock (Mr. Friesen)?

Mrs. Campagnolo: Yes, Madam Speaker.

Mr. Friesen: It pains me here, Madam Speaker, to hear this. I would just like to correct the record. I made no reference at all to either the Persian empire or the decline and fall of the Roman Empire.

An hon. Member: Why not?

Mrs. Campagnolo: I should like to return to the question because I think it is very important, that we define what is really at the root of this disenfranchisement of these magazines since Bill C-58 does not prevent them from publishing in Canada. It does not prohibit them from writing about Canadian events or about events of interest to Canadian readers. Neither does it censor their contents, no matter from what source they are derived.

In reality all this bill and this section of the bill do are one thing. The bill prevents them from making as much money as they could if they were still to be called "Canadian" magazines. That is what is at the bottom of all this. It sounds rather mercenary, does it not, when it is put so bluntly? But stripped of its legaleese jargon that is the consequence of this part of Bill C-58 and, I submit, stripped of all the pious frothings over a selective interpretation of "freedom of speech" and "government censorship", that is the real concern of the magazines affected by Bill C-58. They are not concerned with cultural, religious or any other freedom, but the freedom to make a buck. That is what they are worried about.

Some hon. Members: Hear, hear!

Mrs. Campagnolo: The passage of this part of Bill C-58 will cost the specific magazines affected by it a considerable amount of money. I must state to the House that I would have a great deal more respect and even sympathy for the arguments that have been made by the publications affected by this legislation if these arguments at least had the intellectual integrity, not to say honesty, to admit that it is money that is at the root of the opposition to Bill C-58.

These magazines are in business to make a profit, and if they were not then they would not be in business. It is as simple as that. There is nothing wrong with making a profit. The passage of Bill C-58 will reduce or eliminate that profitability unless they conform with the requirements of the new law. Is that not, with all the fine words removed, the real and basic issue that we are facing?

I will cite as an example one of the magazines which I would like the hon. member for Surrey-White Rock to think about. He has pleaded for the continuation of its Canadian status under subsection 19(4). This is the magazine called *MD of Canada*, and I use it as an example and show it to members not because it is best in the field or for any other reason except that it happened to be at the top of my correspondence today when I was thinking about the hon. member's amendment. It is not because the arguments in it are any better or any worse than those in any other magazine attempting to avoid this provision of Bill C-58. What are the arguments of this magazine?

MD of Canada is a magazine owned by MD Publications Limited, a foreign and, to the best of my knowledge, U.S. corporation. It is "sent to Canadian physicians on a regular controlled circulation basis", that is what it says on the magazine, and it is free of charge. In other words, its revenues come solely from its advertising receipts.

MD of Canada's first objection to Bill C-58 is that it is "a publication of unique richness and quality both in cultural content and style". This is certainly true and I am the first to congratulate them on creating a book that is both visually beautiful and highly erudite. The content of their publication is without fault, I am sure, but this, I must point out, in no way makes it a Canadian magazine.

There are many beautiful and interesting magazines in this country, but unfortunately very few of them are Canadian. Why this justifies a continued artificial status for *MD of Canada* I simply cannot comprehend.

Then there is the argument that section 19(4) is designed for the benefit of Canadians wishing access to cultural and scientific journals and that they should be retained for the sake of these people. This is the hon. member's freedom of information argument. *MD of Canada*, we must note, is one of the magazines which would qualify as Canadian under this ruling.

● (2110)

However, this magazine goes on to point out that fears for Canada's cultural independence are not justified because the government can prevent other similar magazines from being established in Canada through the Foreign Investment Review Act, if it so desires. Of course what it does not state is that this would lock it in its own position as Canadian and free it from the threat of competition, much like the fox already inside the chicken coop urging the farmer to lock the door so that all those other foxes cannot get in. It is an argument which would do wonders for the magazine's bank account, but not, I am afraid, a great deal to justify its concern over the free movement of information within this country.

Moving along to the third line of defence we find *MD of Canada* arguing that the passage of Bill C-58 would probably result in its ceasing to publish in Canada, thus depriving 30,000 Canadian physicians access to the only journal of medico-historical writing available to them, and of course, the implied ceasing, according to their presentation to the Standing Committee on Broadcasting, Films and Assistance to the Arts, of world-wide coverage of Canadian medical events and the bringing to the attention of physicians around the world outstanding Canadians such as Banting, Best, Grenville and, Lord forbid for I cannot understand it, Stephen Leacock.

While this last argument does not merit serious criticism in the context of any reputable international medical journal, we should look for a moment at the first problem, that

is, that Canadian doctors will no longer receive *MD of Canada*. I submit that it does not require too great a stretch of the imagination to assume that within a very short time Canadian physicians will be receiving the *MD* magazine from the United States on a regular controlled circulation basis. So what is the real loss to Canadian physicians?

The Canadian content in the January, 1976, issue amounted by a generous count to 12 pages including letters to the editor, the title page, and a review of American movies about British detectives, as well as a large photograph of an alley which might have been a Canadian alley. The real loss to *MD of Canada* is the advertising revenue which makes it a profitable business, and that is what we are talking about. That is the real and basic issue, and I find that I am beginning to have a decreasing amount of respect for foreign owned corporations which do not have the honesty to admit that that is why they publish magazines and broadcast in Canada.

The same argument hon. members opposite will find holds true for that outraged paragon of virtue whose cause they have seen fit to adopt, Time Incorporated. *Time's* objection to the Cullen rule is based on nothing else but a desire to make money at the expense of us dumb and gullible Canadians, and for *Time* to say otherwise is the sheerest hypocrisy.

Subsection 19(4) of the Income Tax act has been in effect for over 10 years. Why did we hear nothing from Time Incorporated about its so-called unholy censorship until the government moved to have that subsection, which applied to them, removed? Canadian magazines have not complained. Why did *Reader's Digest* all of a sudden cease to be concerned about this vile censorship once it found that digests were not covered by the wording of the clause? The answer is obvious. The answer is just and only money.

The hon. members opposite who have risen to the defence of that poor outraged near-virgin Time Incorporated, and its sister neo-Canadian publications and television stations, are either blindly naive in their pursuit of a rather strange version of justice or are just perhaps incredibly opportunistic in their desire to make short term debating points at this sensitive time and at the expense of the government. Knowing the opposition to be totally sincere in their abhorrence of opportunism, I ask the hon. member for Surrey-White Rock to give serious reconsideration to his amendment to this bill. As the bill currently stands I, and I believe a good number of responsible members of this House can, do, and will support it.

Some hon. Members: Hear, hear!

Mr. P. B. Rynard (Simcoe North): Madam Speaker, first I should like to compliment the hon. member for Skeena (Mrs. Campagnolo) who did such an excellent job in her speed contest. I think she is the fastest speaker I have ever heard in this House, and I want to compliment her on that.

An hon. Member: She is the fastest reader.

Mr. Rynard: Somebody said she is a fast reader. That does not matter; I could not read that fast.

I should like to speak in favour of this motion which asks for the complete exemption of *Modern Medicine*, or

[Mrs. Campagnolo.]

MD, fine arts magazines, religious magazines, medical magazines and scientific journals. It must occur to all of us that scientific knowledge from around the world is something against which we should not put up barriers. When we consider that Canada has a population of 22 million and that this year we cut back on research, we need all the more to get all the information we can from every country in the world. Surely we want to be as well informed as possible.

Modern Medicine examines medical research from around the world, and all one has to do is look at a copy to see the abstracts which are studied and the list of scientific and medical men reviewing those publications. In Canada there is no way we could review to the same extent. When we say Canada is producing this, it is true, Canada does produce it, and I am proud of it. It is printed in those journals in other countries to advertise Canada and its research.

I want to say that those publications are made possible, and they are dealt with in hundreds of abstracts and papers written by the world's most eminent authorities. They are produced from the top specialists in the world, and of course Canadian articles are published as well. They are distributed in other countries and keep them informed of what we are doing in Canada.

Medical magazines, scientific magazines, and religious magazines all tend to enhance our knowledge of scientific achievements and research. To put a wall around Canada and say that with our 22 million people and some 27,000 doctors we are capable of producing this is a misnomer. In the United States there are ten times that many, and around the world Germany, Great Britain, France, Japan and other countries are producing people who are doing wonderful scientific research. This would be the most retrograde step one could imagine for the world of science or research.

This year we cut back about 10 per cent of our research because of a lack of funds. If we ever needed this scientific knowledge, it is right now. Medicine and science are universal and international. It is absolutely imperative to have foreign sources of medical literature to keep up what we are doing. The attractive formats of those magazines are seen in doctors' offices and in other professional offices.

Modern Medicine goes into 25,000 Anglophone doctors' offices and 7,000 Francophone doctors' offices. This will hurt those Francophone doctors more than the Anglophone doctors, who can pick up scientific journals from the United States to read.

On a qualified circulation basis, as the hon. member said, it is true that they do not pay anything for it, but it comes in. It is read because it is produced in a very attractive form.

● (2120)

Here is a sample of what comes in through *Modern Medicine*: "New Perspectives in the Search for Non-Narcotic Analgesics"; "A Falling Hemoglobin Signaled the Problem"; "Drug Interference with Chemical Tests"; "Failure of Cardiac Pacing in Hyperkalemia", which we do not know all that much about. "How much do You know about Clinical Psychiatry?" Then "Abstracts" pages 880 to 943.

"Books and reviews" from around the world pages 946 to 950. Also "In a Jocular Vein", so that it puts everybody in a good humour.

Now let us take a look at *MD of Canada*, about which we are talking. The editorial essay is "The Magic Moment", then "Mirror of Medicine—Brazil and the Conquest of Diseases". In other words, here in Canada we will know what is going on down there in Brazil, a huge country that is growing fast and has great development taking place. And then "MD Letters—What the Medical Profession is Thinking about Itself". "MD Voices, Medicine and Scientific News", in other words, the voice of the people in the medical field.

Next there is, "National Conference on Breast Cancer", one of the big killers in the cancer field in the world today and one we are all worried about and trying to find a better method of handling than we have now. All you have to do is look at the statistics.

We read "Symposium on Headaches", "Medicine Around the World"—would we not use a treatment if it came from Japan, China, or the Far East if it would cure cancer? I just leave that with you. Then we have "MD Pictorial—Kenya's Flying Nun" about the type of work she is doing. "World of Medicine—Armchair Anthropologist", "Lonely Lyricist", "Renaissance Realist". Then, "MD Entertainment: Reviews" on films and books read and recommended; "Camera Eye"; and finally "Product Index".

I would submit that in itself proves the necessity of allowing those magazines to come into Canada and of allowing them liberty in the tax field.

Mention was made in this House recently of Lassa disease, Madam Speaker, and very few members knew anything about it. I had not heard of it myself until it was mentioned to me by some missionaries. In Africa the disease has a mortality rate in the ordinary healthy person of 20 per cent to 25 per cent, and for pregnant women the mortality rate goes up to 50 per cent. It was discovered through the research of three nurses who went to Africa to study it.

Usually in that part of Africa if you get sick you have either malaria or typhoid. They dose you with quinine, and if that does not effect a cure then you get the typhoid vaccine. The nurses had a patient who died, then one nurse died, and another. The third nurse was taken ill and was flown back to New York City. At Columbia University it was discovered the disease was caused by a virus in the blood, and so by 1971 it was labelled as a virus disease suspected to come from a rodent. The scientific journals did not know whether the disease was due to a bite or food contamination, or why it came from a rodent in west Africa. These matters are still to be researched.

In the U.S. they were able to take blood from the nurse and isolate the virus. The blood could be used as a toxin finder or a complement fixation test to diagnose the disease. All this means is that if you have the disease and are among the lucky 70 per cent or 80 per cent who get better it is because you have in your blood the antibodies that kill the virus. By using that blood they can diagnose the disease in the next patient. The only places where this complement fixation test can be carried out are Atlanta, Georgia; New York City; London, England.

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I want to give credit to members for speaking their minds in the way they have. This is a free country, and surely the greatest freedom of all is that these scientific journals can enter this country from all over the world. We are all part of humanity, whether black, yellow or white, whether we live in the Far East, the Middle East, or North America. Anything we can do to help disseminate knowledge in the medical field or scientific field must be done. The Russian and American astronauts must have had an exchange of ideas to accomplish what they did. It would be a backward step not to accept this amendment.

Mrs. Simma Holt (Vancouver-Kingsway): Madam Speaker, for a change this is going to be very brief. I want to register my support for the motion proposed by the hon. member for Surrey-White Rock (Mr. Friesen).

I can never match my friends and colleagues, the hon. member for Skeena (Mrs. Campagnolo) and the Minister of Communications (Mrs. Sauvé) for glibness and articulateness. They, after all—and they have made it quite clear to me—have worked long in the electronic media. Although I have hundreds of hours in radio and television, it was not my whole career.

Since I have lost the battle—I do hope I have not lost the war—in this fight over content control and freedom, I just want to say one thing. I would say tonight Canadian nationalism, has become rather a farce in this House. In debate on the amendment regarding medical publications underline this. A heart is a heart is a heart, regardless of whether it is American, French, or German or if it comes from Afghanistan; cancer is cancer is cancer, whether it is American, French, or German or comes from Afghanistan. But here we are Canadianizing heart disease and narrowing it into a nationalistic frame, because of advertising and a strange and warped law. This magazine is to be driven out of Canada.

I should like to remind this House that in the last ten years since this tax equality—I will not call it tax privilege because I do not go along with that myth—it is not a benefit to the periodical publisher, but a right to the advertiser, there were 88 new Canadian magazines born since 1965, and they are flourishing and have a circulation of over 10,000 each in Canada, 70 of them in English and 18 in French. They have a combined circulation of 209 million annually.

● (2130)

We are fighting this bill. At this time, when certain periodicals are developing, growing in what is a tenuous market, big magazines all around the world have died. The Minister of Communications said that only 30 jobs are involved if the KVOS animation studio closes in Vancouver, for example. The field is small and highly specialized. I wonder if there are 60 animators in international TV and movie production in all Canada. Our periodical business has grown, and anything done in this House, any attempt to damage the magazine business, I shall fight.

I therefore support the amendment of the hon. member for Surrey-White Rock.

Mr. Roger Young (Niagara Falls): Mr. Speaker, it gives me pleasure to join this debate, to become involved in the fray and to make a few comments. The hon. member for

Surrey-White Rock (Mr. Friesen) made an ethereal speech this evening.

Mr. Nystrom: A flowery speech.

Mr. Young: It was flowery, as my colleague across the floor says. I was bothered by some of the things he said in support of his amendment. He asked for a special exemption for scientific, technical, and cultural magazines. In other words, he wants advertisers in these magazines to enjoy continued exemption from tax.

It is unfair to ask the average Canadian taxpayer who does not receive these magazines, because their circulation is controlled, to bear the tax burden which ought to be borne by the advertisers in those magazines. Why should advertisers be given such benefits free? My colleague from Skeena amply illustrated the benefits and profits such magazines enjoy. In the long run the Canadian taxpayer must bear the cost if taxes are deferred or lessened. Why should the average Canadian taxpayer pay for the advertisers' costs?

The hon. member for Surrey-White Rock referred to medical, scientific, and cultural magazines. I point out that members of the medical profession, who are among the wealthiest professionals in the country, receive medical magazines entirely free. The drug companies pay for publication and circulation, and the profits derived from such a small circulation are enormous. Ordinary magazines charge what the market will bear. I do not think increased costs to the advertisers would affect advertising in such magazines.

Hon. members speaking to this amendment and speaking in the debate generally have raised fatuous and phony arguments about censorship. They suggest we are trying to close the borders to magazines, that we want to prevent the inflow of technical, medical, and scientific knowledge. Nothing is further from the truth. Bill C-58 in no way attempts to close the border to the inflow of knowledge. It is a tax measure only.

We discussed censorship in committee. Actually one could draw an analogy between our copyright laws and Bill C-58. Our copyright laws guarantee property rights in material which has been written or published. The copyright law says that no person shall in any way use language which is substantially the same as the original covered by copyright or in any way use it, print it or publish it, in order to make a profit. We protect the property right of the originator, the creator of the material written or published. Bill C-58 merely says that you cannot reprint or republish in this country, in substantially the same form, material which was printed or published originally in another country, and claim a tax exemption when so doing. I know that is a rough analogy only between our copyright laws and Bill C-58.

The committee mentioned the copyright aspect to various publishers and writers appearing before it, and we noted that they were all in favour of copyright laws. When we showed them that copyright laws work as Bill C-58 will work, they changed their attitude on the question of censorship; not one of them wanted to repeal our copyright legislation.

An hon. member opposite earlier this evening suggested that some hon. members on my side of the House think magazines like *Modern Medicine* and *MD of Canada* are worthless, or not worth protecting.

Mr. Friesen: Who said that?

Mr. Young: It was said on the hon. member's side of the House. I remind the hon. member that I had the distinct pleasure of speaking with and examining Dr. Gibson, the publisher of *MD of Canada*. Many hon. members congratulated him on the excellent magazine he and his colleagues publish. Nobody on my side of the House feels it is not a good magazine. It is an excellent magazine.

An hon. Member: Not all Liberals think that.

Mr. Young: I will do my best to change the opinion of the hon. member from Halton. It is an excellent magazine. I am not a medical person, but I enjoy reading it and told Dr. Gibson as much, even though our views on Bill C-58 were not the same. I told him how interesting I find the magazine and asked him to continue sending it to me. I know that once we pass Bill C-58 I shall still receive my copy of *MD of Canada* and still enjoy reading it I know the good doctor will send it, because he is a man of exemplary character. I do not expect Bill C-58, after it passes, to prevent my receiving the magazine.

The hon. member for Surrey-White Rock wants us to grant a continued tax exemption for advertisers who advertise in *Modern Medicine*, *MD of Canada*, and several similar magazines. Why should we continue to grant special exemptions for such magazines? We did it several years ago for *Reader's Digest* and *Time*. Now, several years later, we must correct the problems our earlier actions created.

We know that initiatives are being taken at this time to allow foreign publications to become involved with the scientific, technical, and religious magazine fields in this country. Already I foresee that if we do not encourage Canadian companies in this country to publish in these fields, if we do not act quickly, we shall find ourselves facing some of our present difficulties again some time in the future. We will have the same problem in this one isolated field in another ten, 15 or 20 years down the road, and we will have to go through the same thing again.

● (2140)

In the early stages of this debate and in committee we heard from members opposite. I do not think I would be taking them out of context if I were to say that the hon. member for Edmonton-Strathcona (Mr. Roche), the hon. member for Fundy-Royal (Mr. Fairweather) and others on that side had no great concern over the basic principle of Bill C-58. If they had a question as to what we were doing, it was with the mechanics of it. As to principle, there were voices of agreement that the principle was right and that maybe we should have done it all ten years ago.

I find it passing strange that having to come to this stage of the debate we now find members opposite saying "No, no, we cannot do this, we do not believe in it." If anything has changed, it is their principles. There is now an outcry that we should create for ourselves another problem which

will come up again if we do not look after it now. They have now begun to argue against the basics of the earlier points they tried to make.

My colleague from Skeena spoke extremely well on the situation of profits and just what is involved in operating these magazines. It is true from our investigations we found that all the profits either go out of the country or are held in a corporate or separate account in this country. The share-holders who have a right to the profits are outside this country. The profits which in large part arise because of the tax write-offs do not help the Canadian consumer but flow outside the country.

These are limited circulation magazines paid for by the drug houses, not the doctors. There is no reason why, at the extent of adding two or three more pages of advertising in either of the magazines, they would not be up to the same ground as if C-58 had not taken place.

An hon. Member: But the doctors pay a subscription.

Mr. Young: The doctors do not pay a subscription now. Perhaps they should pay a subscription. That would make more sense than burdening the average Canadian taxpayer.

These magazines have an almost virtual control of the field in Canada at the present time. The arguments put up by members opposite sound very much like arguments almost requesting or pressing for the protection of a virtual monopoly. There are few magazines engaged in this field. If there is anything that does not need protection in the course of business today it is someone with a near monopoly of the market.

The hon. member for Simcoe North (Mr. Rynard) said that scientific, medical and technological bodies to a large degree are the same the world over. I would not disagree with that. As far as medicine is concerned, the body here is the same as in China, India, South America or wherever. Our doctors may treat diseases in different ways, but really we do not differ.

Bill C-58 will in no way close the borders of this country to the inflow of medical, technical and scientific knowledge. It is for the simple reason that these are the same the world over that the information will continue to come in, before C-58 or after. It is the same reason that doctors in this country will continue to receive and to use the same type of medical knowledge now as they ever have. That is true whether it is a Francophone doctor or Anglophone doctor. The case is the same, the body is the same, the technology is the same, and the information will continue to come into this country.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the origin of Section 19(4) of the Income Tax Act was founded in a spirit of phony or pseudo-nationalism in 1965. I remember very well the time of that budget when these proposals were initially made. I make no apology for the things I said at that time, criticizing the proposals in the context they were made at that time. However, to take out of context quotations made in 1965 on a bill presented under much different circumstances is to distort the truth.

It was almost a collection of cheap shots that the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mrs. Campagnolo) was making tonight, reading as though it were from a prepared text from I don't know where, just trying to get things on the record.

I am a little more interested in the tax aspect of this than the so-called benefits or tax advantages enjoyed by publications that are subject to Section 19(4). Are the profits or the benefits for those publications? They are not. The expense is that of the Canadian taxpayer advertising in those magazines, placing advertising directed to the Canadian market.

My colleague, the hon. member for Simcoe North (Mr. Rynard), speaking on *MD* and *Modern Medicine* said that they are technical magazines for the benefit of Canadians. The research, knowledge, writing and choice of articles that appear in those magazines are for the benefit of Canadian as well as American doctors. To say suddenly that these publications are for the entire benefit of the publishers is absolute nonsense.

Why should a Canadian business concern, whether it is a subsidiary of a foreign house or an entirely Canadian owned or controlled pharmaceutical house or medical equipment manufacturer, be deprived of what is reasonable, what is the custom, and what is given to all taxpayers?

My heart bleeds for the concern on the other side for the ordinary taxpayer. A lot of humbug has entered into this debate with regard to this special treatment of taxpayers. The taxpayer is the Canadian business that advertises in those magazines. After all, the publication is carried by a Canadian company. There is no foreign publication that can carry on business in Canada unless it is a taxpayer. This idea of siphoning off all the profits to some foreign jurisdiction free of Canadian tax, and that is the suggestion, is totally wrong.

If anybody from outside this country carries on business in Canada as a corporation, and they are all corporations, they are obliged to register as foreign companies and they become Canadian taxpayers. The Canadian government levies it income tax in such cases in the same way as it does on Canadians generally. The Income Tax Act says nothing regarding the nationality of corporations as far as these provisions are concerned. So it seems to me that hon. members who have suggested that somehow profits are favourably syphoned off to other jurisdiction because they do not pay Canadian taxes, totally miss the picture.

● (2150)

Take the position of a Canadian advertiser in these publications. I will refer to *Modern Medicine* and *MD*. No one has suggested that these are poor magazines. They are highly qualified technical journals. All right, they are paid for by advertising and many of the advertisers are Canadians who are entitled to deduct a legitimate business expense from their incomes when arriving at their taxable income. Simply because the material, under the Cullen rule, an arbitrary rule and therefore a reprehensible one, comes from foreign sources, Canadian doctors and others will, in effect, be deprived of benefits they have derived if the magazines are not circularized in Canada. I think the publications themselves could quite legitimately say they would restrict their gratuitous distribution to Canadian

doctors and to others interested in medical matters. But simply because these magazines might get their editorial content from a foreign source, these publications are to be placed out of bounds. The acceptance of Canadian advertising promoting Canadian-made or distributed goods, and therefore for the benefit of a Canadian operation, is to be curtailed.

If this is the type of business expense which is to be curtailed because it has a foreign taint, what about the expenses incurred by businessmen attending conferences abroad? Their expenditures are made away from home. The knowledge is picked up elsewhere. There are many types of business expense which are legitimately incurred abroad. This is an introverted attitude toward what Canadian business ought to be able to do. It seems to me that here we are inviting the reverse. Remember, these swords are two-edged. There could be Canadian publications which would carry, say, American advertising directed to Americans. I do not know whether the volume is very great. But can you imagine the reaction of hon. members opposite, who so assiduously—

Mr. Baker (Grenville-Carleton): So blindly.

Mr. Lambert (Edmonton West): —support this bill, if the United States government were to cause to be enacted a similar measure under the United States income tax legislation? There would be cries of outrage from that side.

Mr. Baker (Grenville-Carleton): Tears of rage.

Mr. Lambert (Edmonton West): My hon. friend from Grenville-Carleton says there would be tears of rage. His language is perhaps more flowery than mine, but the meaning is the same. In many of these provisions which relate to income tax we should treat others as we expect them to treat us. I do not think United States law is as chauvinistic as this particular proposal.

Should we follow such a course as this for reasons of cheap nationalism? After all, the minister has made his peace with *Reader's Digest*. He has not disclosed what kind of a deal has been made, and this will be the subject of some remarks by my colleagues later in the debate. What about some of the other publications concerned? Has peace been made with the owners of the Red Deer *Advocate* and other newspapers in British Columbia, as announced by the President of the Privy Council (Mr. Sharp) in Red Deer on Saturday night? What was the deal there? What are the circumstances and what will be the application of the Cullen rule? It is very easy for the *Advocate* and the others to take the line they did with regard to publishing. But what about the content? This is something to which a lot of members object. It is arbitrary. We do not have anything like it on our statutes.

I find it passing strange that ministers like the President of the Privy Council, and the Minister of Public Works (Mr. Drury) should now adopt the mantle of protectors of Canadian publications. I ask: which ones though, primarily? Is it the gang in Toronto? Is it the friends of the government in the publishing field?

May I call it ten o'clock, Mr. Speaker?

[Mr. Lambert (Edmonton West).]

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion under Standing Order 40 deemed to have been moved.

EXTERNAL AFFAIRS—CUBA—POSSIBLE REVIEW OF AID PROGRAM IN VIEW OF INVOLVEMENT IN ANGOLAN WAR

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, on February 6 I directed a question to the Prime Minister (Mr. Trudeau) with regard to CIDA loans to Cuba. My question was as follows:

> Will the government be reviewing any CIDA loans or grants to Cuba now its troops are engaged in the Angola conflict, and if Cuba has managed to become involved in wars, should this not disallow its receipt of aid as an underprivileged country?

● (2200)

The Prime Minister completely evaded my question when he stated "Our aid program is not linked to the ideology of a particular country". His answer in no way related to my question.

I then questioned the Secretary of State for External Affairs (Mr. MacEachen), asking him if there was a clause in CIDA contracts to cut off aid to a country if it suddenly finds it has money to fight in a war, and the minister stated there were no such clauses. There definitely should be such a clause in CIDA or CUSO contracts.

The idea behind CIDA aid is to help underprivileged people in underprivileged countries. Cuba cannot be considered underprivileged when it is engaged in the Angolan war. War is a costly business today and Cuba must be spending millions as it is reported to have had 12,000 troops in Angola for the past four months. Now a statement out of London by Zaire's foreign minister Karl Nguza says he has "reason to believe" Cuban and MPLA troops will be tempted to invade his country after the war in Angola ends. Canadian taxpayers do not want their tax dollars sent to communist countries which are engaged in wars.

I want to make it perfectly clear that I am referring to aid and not to trade. Canadians generally have no objection to having a sound trade agreement with a communist country, but supplying aid and cash to a communist country that is engaged in a costly war is an entirely different matter. The Cuban intervention appears to be on a large scale and must impose a considerable burden on the Cuban economy. If Cubans can engage in a war, they do not require CIDA grants and low interest loans. The loan figures range from $23 million to $100 million at the ridiculously low interest rate of 3 per cent. Many Canadians would like to have such a low rate of interest in order to buy homes or other commodities. At the moment Cuba has an outstanding line of credit of $10 million and the question is, is this money being used to finance its involvement in Angola?

CIDA published a strategy paper last September that warned there are a number of third world countries which have entered a period of permanent emergency. Our aid should be directed to those countries, not countries which can afford to become involved in a war. The majority of

Canadians, I am sure, do not object to doing our share in helping starving nations.

The Prime Minister's visit to Cuba and the comments he made while there have certainly caused confusion around the world. To add to the confusion the Prime Minister has dispatched Ivan Head, his foreign policy adviser, to London to explain what the Prime Minister said or did not say while in Cuba. That is another matter and not what I am mainly concerned about tonight.

I want to repeat that in the future CIDA contracts with underprivileged or underdeveloped countries should have clauses under which aid would be immediately cut off if those countries became engaged in a war, or their economic situation improved. In addition, an immediate examination should be made of the present CIDA contracts to see if there is any possible way of halting aid to Cuba while she is engaged in the Angola war, and I certainly hope there are no negotiations going on at the present time to grant further aid or cash to Cuba.

I hope the parliamentary secretary can enlighten the Canadian people on this very important subject tonight. In closing, let me say that the latest report today states that Cuba has up to 7,000 troops and advisers in the Middle East, 4,000 men in Syria, 3,000 in south Yeman, and 2,000 in Africa apart from the 12,000 in Angola. Cuba hardly seems like a country which needs CIDA aid from Canada.

[*Translation*]

Mr. Walter Smith (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I would like to give a few details on the Canadian help program extended to Cuba. I would first mention that that country's poverty is below the $500 *per capita* level per year, which compares with Trinidad and Tobago, Malaysia, Nicaragua, Jamaica and other countries with which Canada pursues a cooperation program. I would further note that the Cuban government has given very high priority, in its development efforts, to the redistribution of goods and services, and that its whole plan is closely linked to the social and economic development of the Cuban people. The Canadian help program is related to the top priority areas of Cuba's development plan. Our effort is basically aimed at providing goods and services capable of generating development.

To date, the total Canadian help extended to Cuba amounts to $14.2 million of that amount, 35 per cent will have been spent before the end of the current fiscal year, and the remainder will be spent during the following 18 months.

The technical assistance program totals $4.2 million, in the form of grants. It includes projects such as these: The CUJAE project, aiming at increasing the number of specialized engineers in Cuba, with $1,147,000 grant; the animal health research project, with a Canadian grant of about $154,000; the citrus industry development project, a $505,000 grant; the fishing industry stimulation project, $1,705,000; the project involving the establishment of a research and development centre on conversion of sugar cane residues into paper, a $300,000 grant; the project aimed at reinforcing the medical equipment maintenance system in medical and hospital centres, a $275,000 grant.

The other programs are similar in nature and always meet specific needs. The government of Canada takes the required steps so as to ensure that Canadian funds are used for the projects they were intended for.

A line of credit of $10 million under the form of a loan at an interest rate of 3 per cent has been granted to Cuba. It supposes the purchase from Canada of equipment necessary to the development of Cuba in priority areas like agriculture, public health and scientific research. All the items supplied through this credit are submitted to a close interdepartmental study to ensure that they are in keeping with the objectives agreed on at the time the credit was granted.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. parliamentary secretary but the three minutes available to him have now expired.

[*English*]

VETERANS AFFAIRS—DELAY IN PROCESSING PENSION APPLICATIONS—GOVERNMENT ACTION

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I rise at this time to refer to a matter I raised on February 10 pertaining to applications by veterans for pensions. At that time in reply to my question the minister gave a stock answer which he had given me three years earlier, and followed this up in reply to a question by the right hon. member for Prince Albert (Mr. Diefenbaker) with another stock answer. I tried to pursue this matter further because I was not satisfied.

I should like at this time to recite the chronology of the events leading up to that question. An applicant submitted an application in May, 1973. He waited about six months and then wrote to the Pension Commission, who in turn informed him it would take about a year and a half. He waited until the following February 19. Then he gave me a copy of the letter he received from the government in which he was told it would be about 18 months before he would have any kind of a response.

The right hon. member for Prince Albert at about that time rose on the subject, and I did not feel it was necessary to duplicate his question. At that time, as I have said, the minister gave the stock answer in respect of the number of applications processed and so on. I then went over and spoke to the minister personally. I also wrote him a letter in which I told him that I had been advised that if we asked to have the application withdrawn it would lose its priority and go to the bottom of the list. I went to the minister with the thought that if he made an appeal this might speed up the application.

● (2210)

I then wrote to the applicant, informing him that I had spoken to the minister. I received an interim reply from the minister in a lengthy letter explaining the situation in the same terms he had explained to the right hon. member for Prince Albert (Mr. Diefenbaker) why it took so long. I sent a note to the applicant giving the minister's reply.

I then received a letter from the minister stating that he had checked with the commission and that the application was put on a priority basis. That was in May, 1974, about a year after the application had been filed. This was done on a priority basis, I was told. In January I heard from him

again. I had assumed that everything was in order. At this point I had other applicants with similar cases which they asked me to check into.

In January of this year the applicant suggested that something must be sadly wrong when one can fight a war in six years but an application cannot be processed in three years. I then contacted the special assistant to the minister.

We are constantly being told that we should not bother the commission because if we do, the individual application will go to the bottom of the pile. Surely the commission has enough intelligence to label these applications. Application No. 160 would come between 159 and 161. Surely they can pull out application No. 160 and see what the order is, and then give the applicant an idea as to when his application will be processed. However, I could not get a response from them.

Having gone through all the trouble of trying to help this applicant I think I have a legitimate grievance after three years, and perhaps the commission should wake up, if that is what is necessary.

What really concerns me is that the commission and the special assistant to the minister keep telling me, every time we make an inquiry, that we should not ask to have the application brought forward because if that is done it will lose its order of priority. Yet the minister gave me an assurance that it was taken care of on a priority basis. If I cannot ask a question concerning an application, how can I be of any use to my constituents?

I feel there is something wrong with the commission. Unfortunately, I believe they should be given a jolt. The applicant suggested to me that I should not bother them because he believes the commission is antagonistic toward him. Other applicants have told me the same thing. I do not want the commission to feel antagonistic to any applicant. These veterans have a right to apply to the commission and to receive some consideration. Certainly they deserve quicker service than they have been receiving from the commission. Any citizen of Canada is entitled to that much, and certainly veterans are entitled to that much more consideration than they have been receiving to date.

Mr. S. Victor Railton (Parliamentary Secretary to Minister of Veterans Affairs): It is a pleasure to reply to the hon. member for Mackenzie (Mr. Korchinski) regarding the processing of pension applications.

At the present time it takes about a year to prepare the statement of case after an application for an entitlement board is received. The staff working in this area has been increased substantially so that the time lag is being rapidly reduced, and by the end of the year should be no more than four to five months.

The number of first applications awaiting decision was 3,182 as of the end of January, 1976. The number of claims considered at that level in 1975 was 9,239. In the same period there were 2,721 applications for entitlement boards and over 2,200 such claims were heard.

In so far as delays in adjudication are concerned, there are no cases at the first level of which the commission is aware which have been outstanding for anywhere near three years. At the end of January, 1976, there were only 28 on record on which the decision had been outstanding for 15 months or more.

The commission has been steadily reducing the time lag between the date of application and the date of decision. The average length of time required to adjudicate a pension claim is now 6.8 months. A year ago it was close to 12 months. It is now 57 years since the end of World War I and 30 years since the end of World War II. Most of the claims now being made relate to conditions which did not manifest themselves for possibly 20 to 60 years after discharge. The commission has the responsibility under the Pension Act to find evidence and ways and means of relating today's disability to a time factor or possibly an episode which may have occurred 34 to 60 years ago, and these include heart conditions, deafness, arthritis and so on. These are afflictions of age, but the commission tries to separate the age aspect from the attributability aspect and relate the condition to the period of military service. In many cases this is an almost impossible task. The relatively simple claims such as gunshot wounds were considered long ago.

The purpose of the Canadian Pension Commission is to inquire and to try to arrive at the true state of affairs, and not to try to advance or defeat any particular point of view. The commission examines the facts and tries to determine whether a claim is valid. There is no adversary system. The commission does not oppose a claim, nor does anyone else. It examines the evidence and available information, and makes a decision.

I should just like to say that the hon. member for Mackenzie quoted a particular case, and I know the minister and myself would be glad to look into it again for him to see just what is the difficulty.

AIR TRANSPORT—POSSIBILITY OF RESTRICTIONS ON UNILINGUAL PILOTS—GOVERNMENT POSITION

Mr. Erik Nielsen (Yukon): Mr. Speaker, I rise tonight to speak about the question of language use in air traffic control. I do so not as a politician but as a professional pilot who has ten years' flying under my belt in international and national air spaces, and I am still actively flying. I take this opportunity to avail myself of a rather useless forum simply because I have something to put on the record. I say useless because there are only five of us in the Chamber tonight, and the Minister of Transport (Mr. Lang) is not one of them.

A policy has been implemented in Quebec where two languages are being used in air traffic control. I do not speak tonight of anything other than safety, and I want to put on the record that safety in the air lanes in Canada over Quebec air space is being jeopardized for the sake of political expediency. I forecast that there will be a disaster. It will be a fatal disaster, of minor or major proportions, and the minister and the government will be entirely to blame.

In the seven minutes I have there is no way I can advance all the arguments I have to propose with respect to the jeopardizing of safety, but I want those who are here tonight, and perhaps those who might read these remarks, to imagine themselves on the flight deck of an Air Canada flight with the weather being 3,000 feet overcast, with

perhaps two miles in fog. That is pretty good weather for an approach to, let us say, the airport at Quebec city. The wind is calm, and we on the Air Canada flight deck have been cleared for an ILS or instrument landing system approach. We have just changed to tower frequency on a radio which carries 380 frequencies on one of the radios on our flight deck. We call up the tower saying that this is Air Canada established on the ILS. The tower replies that we are number one. That means we are number one for landing.

● (2220)

Now you are over the outer marker and you want to tell the tower this, but you have to wait while the following conversation takes place between the tower and another aircraft.

Tower says: "Are you ready for immediate, United?"

United answers: "Affirmative".

Tower: "United, you are clear to position and hold",

United being on the ground and being ready to taxi out for take-off.

You say: "Air Canada inside the marker gear down."

Tower answers: "Air Canada continue".

I am leaving out names and flights and numbers in this narrative because I am telling you something that actually happened in the air over Quebec air space on January 25 last.

At this point you do not know, on the Air Canada flight deck, which runway the other aircraft is occupying. Remember, the wind is calm. But you would not have to be very clever to at least suspect that the United flight is in front of you on the runway you are about to land on.

You say to the Tower: "We are down to 500 feet," and you call for landing clearance.

Tower comes back: "United clear for take-off; Air Canada clear to land."

As I say, Madam Speaker, this happened. As the tower says this you are passing through 400 feet, still in cloud through ILS approach. You have already decided, on the flight deck; you know the aircraft is there. You suspect it is on the same runway, and if it is there you are going to go around again.

At 300 feet you come out of cloud and get a view of the rear end of a 727 starting down the runway. You say to the first officer, "Go around." That does not go across to the tower. You say to the tower, after you have paused while your hands are busy in the cockpit on the go around: "Air Canada going around."

Tower pauses a few seconds during which Air Canada, with you on the flight deck, re-enters the cloud and you pass over the United flight.

Tower says: "United abort your take-off"—this said by a different voice than before.

In this instance all ended happily, but my point is that if you just change this scenario into a bilingual situation, remembering the seconds that you have with aircraft, and the combined approach cruising speed at 1,200 miles an hour in some situations—what if no one is prepared? Change that scenario into a two language situation, lower the limits a little bit, and instead of 400 feet you have 250 feet or 300 feet—you do not have two miles, you have one mile. Perhaps you have the makings of a disaster. Indeed you will.

The controller made an error in this situation. Anyone can make a mistake, but remove the ability of the other parties in airplanes to monitor air traffic at any airport and that mistake will not be known—it will not permit the captain of an airplane to analyse the situation and make decisions which might avoid a disaster.

This situation ended happily, but with a bilingual situation there would have been a major disaster. That is what is going to happen.

I speak only to the question of safety and I urge the government to reconsider very ill conceived policy of implementation of two languages in one of our provinces before a fatal disaster occurs—a fatal disaster for which only the government can be blamed.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, may I first address myself to my hon. friend's beginning remarks about this particular proceeding in the House of Commons being, to use his words, "a useless forum." We on this side do not consider it to be a useless forum. We take this so-called "late show" very seriously. I suppose my hon. friend does not, because unfortunately he is here so infrequently.

To deal with the matter which was mentioned in his actual question to which his notice referred today, which had to do with the possibility of restrictions on unilingual pilots as far as their licences go, this is the point to which I should like to address a few remarks this evening. It relates rather directly to what he has said this evening. I can assure him and all Canadians that there is no intention on the part of the government to impose any restriction on the pilot licences of either English-speaking or Frenth-speaking pilots flying in Canadian air space. In this connection it is the responsibility of every pilot to operate only within the limits of his competence, including that of language, as contained in paragraphs 504 and 817 of Air Regulations.

Specifically, paragraph 504 states that:

> Prior to commencement of any flight, the pilot-in-command of an aircraft shall familiarize himself with all available information appropriate to the intended flight.

Paragraph 817 states that:

> Nothing in these regulations shall be held to relieve the owner, operator or flight crew member of an aircraft of the consequences of any neglect in the use of lights or signals, or of any neglect to keep a proper lookout, or neglect of any precaution that is required by the ordinary practice of the air or by the special circumstances of the case.

The portion of this paragraph which is relevant to the question before us this evening is the portion which reads:

> . . . neglect of any precaution that is required by the ordinary practice of the air or by the special circumstances of the case.

Further, those occurrences to which my hon. friend referred as "near misses"—that is the American terminology while in Canada we use more technical language to refer to such occurrences as "loss of separation between aircraft"—may involve varying degrees of seriousness ranging from a technical loss of separation to more serious occurrences, but are not language problems per se.

I wish to allay my hon. friend's concern and assure him, earnestly, that the Ministry of Transport will continue to ensure the highest possible degree of safety in Canadian air operations. We will also want to permit the use of Canada's two official languages where it is possible to do so consistent with that high safety standard.

Motion agreed to and the House adjourned at 10.29 p.m.

HOUSE OF COMMONS

Tuesday, February 17, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

AGRICULTURE

PROPOSED MODIFICATION OF MILK POLICY TO FAVOUR PRODUCER—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to Standing Order 43, I ask the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

Since the producers of manufacturing milk have experienced for the past months a loss of income as a result of amendments to the dairy policy, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That the Standing Committee on Agriculture be asked to consider immediately the dairy policy of the government and report to the House as of March 15, to enable the Minister of Agriculture to make the necessary amendments to the dairy policy on the basis of demands from milk producers.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there such a consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent, the motion therefore cannot be put.

* * *

SUPPLY AND SERVICES

SUGGESTION INFORMATION BE OBTAINED CONCERNING LOCKHEED TO AVOID CONTRACT DIFFICULTIES—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to discuss a very urgent and important matter.

In view of the serious financial difficulties of the Lockheed Aircraft Company with which the government of Canada is negotiating following the decision to buy 18 Orion aircraft for nearly $1 billion, and since this American aeronautical company has been shaken up by great scandals over bribes offered to politicians from various countries to obtain contracts, a situation which can paralyze the company fairly soon and create prejudices for the government of Canada, I move, seconded by the hon. member for Champlain (Mr. Matte):

That this House immediately discuss the schedule of payments under the Canadian contract as well as the next negotiations of the government with Lockheed Aircraft Company concerning the questions being asked on the integrity and viability of this company, to encourage the government of Canada to be very careful and reserved so that they do not bear the consequences of the still greater difficulties this American company could have soon.

Mr. Speaker: Order, please. The House has heard the terms of the motion of the hon. member. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be put.

● (1410)

ORAL QUESTION PERIOD

[*English*]

ANTI-INFLATION BOARD

REQUEST FOR APPEAL PROCEDURE WHICH WOULD NOT NECESSITATE INDICATION OF UNWILLINGNESS TO COMPLY WITH BOARD ORDER

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister arising out of information given in the House yesterday by the Minister of Finance to the effect that it is the intention of the Anti-Inflation Board to refer cases to the administrator and hence open up the appeals procedure only in those instances where a party to a settlement or an agreement has indicated an intention not to comply with the ruling of the Anti-Inflation Board. Is the Prime Minister prepared to review this rather perverse situation, which means that no appeal from the Anti-Inflation Board is available except to those who are prepared to act in defiance of the Board? Is the Prime Minister prepared to review this so that appeals will be open to those seeking appeals without requiring defiance of the board?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will have to take notice of the question. I do not have a copy of *Hansard* here. I was not here when the minister made his statement yesterday. I will have to increase my understanding of this matter before answering the question.

Mr. Stanfield: Well, as a former minister of justice and a man who has written with considerable passion on the subject of equality before the law and due process of law, what is the understanding of the Prime Minister now as to the appeal procedure with regard to the anti-inflation program? Is an appeal open, or is it circumscribed, as the Minister of Finance seemed to suggest yesterday?

Mr. Trudeau: When I was minister of justice this law had not been passed, and I would have to take notice of the question.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Ask Castro.

Mr. Stanfield: I am disappointed that the Prime Minister has not been sufficiently interested to ascertain what is going on.

Some hon. Members: Oh, oh!

Mr. Stanfield: I do not blame the hon. gentlemen opposite for being a little upset about this question. I would not like to apologize for it either.

Some hon. Members: Hear, hear!

* * *

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—DATE OF DECISION ON EXPORT LEVY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister when we may expect some information about the decision of the government regarding the export levy which the Minister of Finance indicated would have been settled last week but could not be settled then because the Prime Minister and part of his cabinet were out of the city? Can the Prime Minister indicate to the House when we may expect a decision of the government on a matter of such vast importance to our export industries, and indeed, to our whole economy?

Mr. Speaker: Order, please. It is only with the greatest reluctance that I ever interfere with a question of the Leader of the Opposition; however, I really have no way of seeing a question on export development as supplementary to the original question on the subject of appeals under the statute. Unless there is some connection—

Mr. Stanfield: I accept your ruling, of course, Mr. Speaker. I only entered that field because the Prime Minister did not seem to know anything about the first one I mentioned.

Some hon. Members: Hear, hear!

ANTI-INFLATION BOARD

ESTABLISHMENT OF RULES OF PROCEDURE FOR APPEALS—BASIS FOR FEDERAL COURT DECISION IF EVIDENCE ON APPEAL CONFIDENTIAL

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I was going to pursue this line of questioning with the Prime Minister so he might get some on the job training, but if the Minister of Finance would be kind enough to answer, I will ask him. There is a limited period of time for appeals from decisions of the administrator to the appellate tribunals. As there have been no rules of procedure, no publication of the form of notice of appeal required by the statute, when will this be done so that prospective appellants can know how to comply with the procedure laid down in the act?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the Minister of Justice has responsibility for convening the tribunal, which has already been established. I would suggest that any party which feels it might like to launch an appeal should do so by addressing itself to the acting chairman.

Mr. Baldwin: A supplementary question. Foregoing the opportunity to deal with the Minister of Justice, as the Minister of Finance is one of the ancestors of this bill of doubtful parentage, may I ask what assurance he can give to the House that the rules for presentation of evidence and the practice and procedures will be consistent with those of a judicial body in so far as appeal practices are concerned? In particular, as the hearings of the tribunal can be held in camera, on what basis could a federal court—proceedings of which are held in public—give a decision if all the evidence is to be held in confidence?

Mr. Macdonald (Rosedale): The federal court would in due course have available the full record of the hearings at the appeal tribunal. In the case of evidence of a confidential nature—as frequently occurs in cases under the Restrictive Trade Practices Commission—it could decide to take certain evidence before it and I presume would do so.

DECISION IN IRVING CASE—POSSIBILITY OF INTERVENTION BY CABINET

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Finance regarding the decision of the administrator in the case of the Irving Pulp and Paper Company which adversely affects the employees and imposes a heavy financial penalty on the employer. In view of the fact that section 24 of the Anti-Inflation Act empowers cabinet to intervene in respect of the decision of the administrator, may I ask the minister if the government intends to intervene in this matter with a view to re-examining any aspect of the administrator's decision?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I made it clear that I have no intention at this point of recommending to my colleagues that any intervention be taken against this decision. The administrator has obviously given careful attention to these facts, and in particular to the fact that the parties went ahead knowing

what they were doing would be contravening the guidelines, it seems to me the administrator's decision is entitled to be supported.

REQUEST FOR CHANGES IN APPEAL PROCEDURE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A further supplementary, Mr. Speaker. In the *Globe and Mail* of January 29, the Minister of Finance is reported as having made statements to the press indicating that there may be some amendments to the Anti-Inflation Act which would give trade unions the same right of appeal as that enjoyed by the corporation and to remove the necessity of breaking the law in order to get a case before the administrator. I would therefore ask the minister if the government is prepared to introduce two amendments. First, an amendment to provide for the appeal by any party affected by a decision of the Anti-Inflation Board to the administrator and second, an amendment which would allow any person affected by the decision of the administrator to appeal directly to the appeal tribunal?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, what I said on that occasion, in response to the question of a reporter, was that we would give consideration to that point of view to which the hon. member has referred. As I said in response to a question yesterday, we will of course be prepared to give consideration to an amendment of that kind if it appears it would be necessary.

DATE OF APPOINTMENT OF INDEPENDENT APPEAL TRIBUNAL

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A final supplementary, Mr. Speaker. Since the government has not yet appointed the permanent appeal tribunal, which I can well understand in view of the fact the legislation is drafted so cleverly that no one is likely to get a chance to appeal, and since the government has set up an acting appeal tribunal made up of one civil servant and two former civil servants who, with all respect to the gentlemen in question, would not be considered by anyone as being an independent and unbiased body. How soon is the government prepared to appoint an appeal tribunal which will be independent and appear to the Canadian people as being a body unprejudiced, unbiased and divorced from the government bureaucracy?

● (1420)

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, in my judgment the three appointees in question are unprejudiced and unbiased. They have been good servants of Canada and the imputation against them involved in the hon. gentleman's question is totally unjustified.

Mr. Baldwin: They will go back to the civil service when they have finished.

Mr. Macdonald (Rosedale): The tribunal has been established, as the hon. member said. My colleague has proposed that when amendments come forward, the responsibilities of this particular tribunal should be given to the tax appeal board for this purpose. The board would, therefore, be able to discharge these responsibilities in addition to those which it has under the tax act. That, I believe, will be in accordance with the views often expressed by the hon. gentleman's leader, that there should not be an increase in the bureaucracy in this regard, which seems to make sense.

Mr. Baldwin: You are afraid to get a judge.

Mr. Macdonald (Rosedale): It seems to make sense to put the matter under the tax appeal board for this purpose.

If I may answer the imputation made by the hon. member for Peace River against the tax appeal board, let me tell the hon. gentleman that they are a devoted and very capable group and I reject totally the suggestion implied in his imputation.

Mr. Baldwin: You are afraid to get a judge.

Some hon. Members: Shame!

Mr. Baldwin: The people on the government side are experts in shame. The whole party is shameful.

* * *

[*Translation*]

AGRICULTURE

SUGGESTED ANNOUNCEMENT OF DAIRY POLICY BY MARCH 15

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to put a question to the Minister of Agriculture.

Considering that for some months industrial milk producers have been suffering financial losses which in turn unbalance many producers' budgets, is the Minister of Agriculture willing to present the government's dairy policy around March 15, in order to give the producer's union enough time to indicate their views on such policy before the beginning of the dairy year which will begin on April 1?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we met with representatives of the dairy farmers of Canada yesterday. The program will be announced as soon as possible, although I cannot promise the hon. member that it will be very soon. The dairy farmers of Canada know what they must do.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I wish to ask a supplementary.

As the minister just said to the House that he met with representatives of the dairy farmers, and as representatives of industrial milk producers made representations to some members of parliament and as it would be in the interest of Canada, of industrial milk producers and of the dairy industry in general that such policy be known as soon as possible, can the minister make a little effort to present this policy before the last day of March?

[*English*]

Mr. Whelan: Mr. Speaker, the main difficulty for industrial milk producers of Canada stems from the world surplus and from surplus production in Canada. We have not

cut back subsidies, as some people say. We are still paying the same amount of money for the proper amount of dairy products, including industrial milk. As I said, we will announce the program earlier, if we can.

* * *

ANTI-INFLATION BOARD

SUGGESTION THAT A CHANGE BE MADE IN APPEAL PROCEDURE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Justice. I am sure he has followed what has taken place with greater care and more attention than the Prime Minister has; therefore I direct my question to him. If it be true that it requires the publication of the rule that has been made in order to bring on an appeal, as the Leader of the Opposition suggested, does the minister not think that a change should be made in this regard, because what has happened smells of much of the worst in Star-Chamber.

Mr. Trudeau: You are against the monarchy!

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I apologize to the right hon. gentleman, but I was a few minutes late getting into the House. I did not hear his leader's question, so I am not aware of the subject to which it relates.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: The answer is very proper. The minister is always here. He was not present to listen to the Prime Minister show his entire ignorance of what is happening.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, these interrupters do not know that there is a rule of law. They do not realize that. I ask the minister if he will look into this situation, for on the face of it it smells of deep injustice. It cannot be justified in any way. Will the minister immediately bring before the House the regulations providing for appeal and in general the terms thereof as required by the statute? As it is now, civil servants order, civil servants determine and the courts do not know what the facts are because they are confidential. Surely the minister, the keeper of the Queen's conscience, will do something to protect the individuals of Canada.

Mr. Basford: Mr. Speaker, I am sure that both the Queen and the Prime Minister are quite able to look after their own consciences.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Don't associate them together, having regard to the Prime Minister's statements.

Mr. Basford: Although the right hon. gentleman did not state it, I take it he is referring to appeals under the Anti-Inflation Act. The rights of appeal of parties are set out in the Act and in terms of the Federal Court Act. If there should be further clarification required for the guidance of parties as to the conduct of appeal, I am sure that the chairman of the appeal tribunal will indicate those.

NATURE OF NOTICE IN WRITING AND FORM PRESCRIBED FOR APPEAL

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, provision is made for the appeal in Section 31(2) which reads:

> An appeal to the Appeal Tribunal shall be instituted by filing with the Tribunal a notice in writing in a form prescribed by the rules made pursuant to subsection 27(2).

Those rules have not been promulgated in any way. Will the minister now tell the House what is the nature of the notice in writing and the form prescribed by the rules that has to be followed in order to make an appeal or is the minister unaware of the form?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the procedures for appeal will be made known shortly and in such a way as not to prejudice any of the parties wishing to make an appeal.

* * *

INDUSTRY

STEPS TO PREVENT BANKRUPTCY OF REFINERY AT COME-BY-CHANCE—POSSIBILITY OF ALTERNATIVE EMPLOYMENT

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct my question to the Minister of Industry, Trade and Commerce who I understand has just returned from the salubrious area of Come-By-Chance. What steps does the government of Canada propose to take to prevent this major oil refinery, which is such an important employer in the Atlantic provinces, from going under?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I want to thank the hon. member for giving me notice. It is a fact that I held some meetings over the weekend with interested parties and talked to others on the telephone from Ottawa. It is not clear at the moment whether any action by any federal agency would be capable of preventing certain steps which are already in train and have been taken by some of the main parties, including for example, the government of Newfoundland and the ECGB financing agency in Great Britain. I will be meeting with Premier Moores later today here in Ottawa. Undoubtedly this subject will come up. My colleague, the Minister of Energy, Mines and Resources, in response to a question, indicated that some initiatives have been taken as a result of his actions to keep an eye on the situation. About the best I can tell the hon. member now is that we are very close to all the parties concerned and as soon as something emerges which might make it possible for the federal government to assist we shall consider it in the most sympathetic way imaginable.

● (1430)

Mr. McGrath: In view of the prospect of this plant having to close down, albeit for a short time, say two years, what plans does the government have to find alternative employment for the 500 employees, many of whom are the minister's own constituents?

Mr. Jamieson: This is one of the matters I discussed with some of the workers concerned over the weekend. It was only, I believe, on Friday that the government of Newfoundland suggested the establishment of a federal-provincial task force. I indicated at that time that we would be quite prepared to co-operate in the establishment of some group through which we could determine what alternative sources of employment might exist. I want to say, however, in fairness and honesty to the workers in the area—and the hon. member will, I think, appreciate this—that finding four or five hundred additional jobs will not be the easiest thing in the world to do in the short run. But we will certainly do what we can.

* * *

ADMINISTRATION OF JUSTICE

INQUIRY AS TO FREE VOTE IN CAPITAL PUNISHMENT BILL

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Prime Minister a question. I addressed a question in his absence to the Solicitor General concerning the proposed government bill to abolish capital punishment. I want to ask the Prime Minister whether the answer given by the Solicitor General, as reported in *Hansard* at page 10,870 represents government policy. The hon. gentleman said:

> There will be a government bill to which the government will be committed but members of this House who are not with the government will be free to vote on it as they see fit.

Is that the free vote the government proposes?

Right Hon. P. E. Trudeau (Prime Minister): The whips will not be on for the purpose of this vote.

Mr. Woolliams: May I put a second question to the Prime Minister? In light of the fact that the cabinet will not have a free vote—only backbenchers will have a free vote—how does the right hon. gentleman reconcile this situation with a free vote? Because that sounds about as free as a hog on ice.

Some hon. Members: Oh, oh!

* * *

INDUSTRY

DOUGLAS AIRCRAFT—POSSIBILITY OF POSTPONING LAY-OFFS

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce and it relates to a recent statement by officials of the United Auto Workers' Union with reference to Douglas Aircraft. Is it true that the federal government will provide financial assistance which will permit the company to postpone lay-offs indefinitely? How long is "indefinitely", and how will this work?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): If I had the answer to all those questions I would be a very happy man. The position at the moment is that there was a proposal by McDonnell-Douglas to post lay-off notices affecting between 400 and 500 workers on Friday of last week. I met with officials of the company and as a result they agreed to postpone those lay-off notices indefinitely. As to how long "indefinitely" is, it is exactly what the word says. We are not sure. In the interim we are trying to find additional work for the plant in Toronto which will help, at least, to prevent these lay-offs taking place.

I undertook to try to get some answers within the coming week. We are looking at a number of solutions which may appeal to the company and which may lend themselves at least to giving us enough time, perhaps a year, in which to determine what role, if any, the company might play in the restructuring of the aerospace industry.

* * *

PERFORMING ARTS

REQUEST FOR PUBLICATION OF QUOTA AGREEMENTS ON DISTRIBUTION OF FILMS AND REPORT ON MONITORING OF QUOTA

Mr. David MacDonald (Egmont): Mr. Speaker, my question is addressed to the Secretary of State and it concerns the film policy announced last August with application to the major film chains, Odeon and Famous Players. The minister indicated at that time that performance with respect to the quotas would be monitored and the results published regularly by CFTC. May I ask when we can expect to see some figures published as to the effectiveness of this new quota system? Can the minister tell us, also, when the actual contracts or agreements were signed and when they will be made public?

Hon. James Hugh Faulkner (Secretary of State): The contracts themselves are still under negotiation. I hope the negotiations will be concluded this week. The monitoring of the quota is in place and I believe published results will be available on a quarterly basis, but I would have to confirm that impression.

POSSIBILITY OF INVESTIGATION OF FILM DISTRIBUTORS BY COMBINES BRANCH

Mr. David MacDonald (Egmont): In view of the action recently taken by some of the major Canadian film makers—Pierre Berton, F. R. Crawley, Allan King, Gordon Pinsent and a number of others with a view to getting a combines investigation launched by way of a formal petition to the Minister of Consumer and Corporate Affairs with respect to the monopoly situation which prevails in the exhibition of films in this country, may I ask whether the minister has conferred with his counterpart on this subject and whether he has taken any appropriate action

to investigate or to inquire from the leading distributors whether or not the conditions referred to do, in fact, exist?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, that seems to be quite a separate approach to the problem and it is in the hands of my colleague.

* * *

COMBINES

POSSIBILITY OF INVESTIGATION OF FILM DISTRIBUTORS

Mr. David MacDonald (Egmont): Perhaps, then, I might ask the Minister of Consumer and Corporate Affairs whether he has had a chance to study this submission from the film makers, and in view of the interest taken in the possibility of a monopoly situation can he tell us whether he has responded to the petition or whether he has instructed the Combines Investigation Branch to launch a full inquiry?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, the hon. member surely knows that when appellants publicly declare they are requesting an inquiry, the administrator is naturally bound to initiate such an inquiry and assume his responsibilities pursuant to the act.

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[*English*]

CONSUMER AFFAIRS

ALLEGATION OF EXCESSIVE PROFITS BY FOOD CHAINS—GOVERNMENT ACTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. It arises from the report, commissioned by the Food Prices Review Board, pointing out that there is a high correlation between excessive profits and corporate concentration in food chains. What specific steps does the minister responsible intend to take to roll back prices in the seven cities which were designated as the cities in which the outlets were making excessive profits, namely, the four cities in the West along with Thunder Bay and St. John's?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am in the process of studying this report. I have asked some of my department officials to examine more particularly the points of emphasis in this report. As for excessive profits I shall take up the matter with my colleague who is in charge of the Anti-Inflation Board.

[Mr. MacDonald (Egmont).]

[*English*]

COMBINES

DATE OF INTRODUCTION OF PART TWO OF COMPETITION BILL

Mr. Lorne Nystrom (Yorkton-Melville): In view of the fact that the report confirmed what we in this Party have been saying for years about corporate concentration and high profits in the food industry, can the minister give the House a definite date by which he will introduce the second part of the competition bill or any other legislation which might deal with the recommendations contained in the study? Can he be specific as to a date?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): As soon as possible, at the beginning of next session, Mr. Speaker.

* * *

[*English*]

EXTERNAL AFFAIRS

ESTABLISHMENT OF HELICOPTER FORCE AND USE OF AMATEUR RADIO OPERATORS FOR COMMUNICATING WITH STRICKEN COUNTRIES

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, before addressing my question to the Secretary of State for External Affairs I hope I might be allowed to pay tribute to those dedicated and courteous public servants in the consular division of the Department of External Affairs, as well as in Guatemala for their tireless efforts to locate Canadians missing in Guatemala and to reassure worried relatives in Canada.

Some hon. Members: Hear, hear!

Mr. Munro (Esquimalt-Saanich): My question is this: in order to avoid a recurrence of some of the communications problems which revealed themselves during the earthquake disaster, has the government taken any steps to set up a standing emergency helicopter force which might fly to stricken countries in case of need in order to improve internal communications in such circumstances. Also, has any effort been made to enlist the support of Canadian ham radio operators so as to improve communications between Canada and stricken countries? I know ham radio operators are ready, willing and able to co-operate.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): As to the first point, the hon. member made a constructive suggestion recently that we might make a helicopter, or a number of helicopters, available to the Guatemalan authorities. We investigated that proposal and found that in the circumstances the airport facilities in Guatemala could not service more helicopters than were in use at that particular time. Therefore any contribution that we might be willing to make would, in the circumstances, be redundant.

● (1440)

I believe that the suggestions he has made with respect to emergency preparedness in future situations are con-

structive and I will certainly have them examined and, if feasible, acted upon in the department and in CIDA.

[*Translation*]

DATE OF RECOGNITION OF NEW GOVERNMENT OF ANGOLA

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, I wish to put a question to the Secretary of State for External Affairs.

Could he tell the House whether the presence of Cuban shock troops in Angola makes up a major obstacle to the recognition of the government of the People's Republic of Angola and, if not, does the minister expect to announce recognition at an early date, because the MPLA controls more than 80 per cent of the territory and several countries of western Europe announced their intention to do so?

[*English*]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I hope to have an announcement to make on that subject within a day or so.

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POST OFFICE

INJUNCTION RESTORING UNION RIGHTS OF TORONTO EMPLOYEES—EFFECT ON SUSPENDED OTTAWA EMPLOYEES

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. Arising from the interim injunction granted last Friday by Mr. Justice John O'Driscoll of the Ontario Supreme Court preventing the Toronto CUPW executive from interfering with the rights of members of the union who crossed the picket line during the strike last fall to attend a membership meeting last Sunday, and also restoring the suspended members' right to vote and accept nomination for office, would the Postmaster General inform the House whether this injunction also protects the rights of 170 members of the Ottawa Local who find themselves in a similar position?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I am not too sure to how extensive a jurisdiction the decision of the judge applies. I know that in essence what he said was what I said in the House earlier, that there is a union constitution, that the constitution spells out the procedure whereby a person may be suspended, and that in his opinion this procedure had not been followed. The judge therefore granted an interim injunction until each and every person who had been suspended does have an opportunity to make his or her defence against suspension. It was based on his appraisal of the Toronto situation that he granted the interim injunction.

I have asked my officials knowledgeable of the situation whether or not this would require similar action on the part of a suspended individual in each and every local across Canada. I would hope that the Canadian Labour Congress, the responsible governing body for labour in this country, would look very closely at this decision of the judge and see whether in their opinion it is not time to introduce some degree of democracy into the trade union movement so that it is not always subject to a negative public press.

Oral Questions

CANADIAN BROADCASTING CORPORATION

ARRANGEMENTS FOR BROADCASTING PROCEEDINGS OF CONSERVATIVE CONVENTION

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, my question is for the Secretary of State. I wonder whether the Secretary of State would contact CBC radio and make a determination whether or not they have made a decision not to start their broadcast of the Progressive Conservative convention, to be held in Ottawa on Sunday at the Coliseum, until four o'clock in the afternoon, rather than at the beginning of the voting, as they did when the New Democratic Party had its convention and as they did when the minister's own party, the Liberal party, had its convention in 1968? Or are we going to have to suffer through a continuation of the policy of being shafted by CBC radio, as was so obvious during the 1974 election campaign?

Some hon. Members: Oh, oh!

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I will certainly look into that for the hon. member.

* * *

MANPOWER

EFFECT OF PLACING PROVINCIAL WELFARE OFFICERS IN MANPOWER OFFICES—GOVERNMENT POSITION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration. It is in regard to the recent decision by Ontario to put jobs before welfare and placing welfare officers in manpower offices in the province to help welfare recipients get work and to make sure they accept available jobs. This would have some impact on the job vacancy rate and the unemployment rate. I would ask the minister whether there are any special measures agreed on by the minister and his counterpart in Ontario to assist in helping welfare recipients get work and, even more important, making sure that they accept available jobs. If so, would the minister give us some indication what it is all about, or will he be making a statement in this regard in the very near future?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I had not intended making a statement but I will be glad to elaborate in more detail when my estimates are before the committee in the not too distant future. I think this is an encouraging co-operative arrangement between my department and Ontario. Indeed, we have had similar discussions with other provinces—British Columbia and New Brunswick—and I believe it is a progressive move to provide people on welfare with placement services and counselling, as well in some cases as training courses, etc.

Oral Questions

UNEMPLOYMENT INSURANCE

POSSIBILITY OF FORCING CLAIMANTS TO ACCEPT AVAILABLE JOBS

Mr. Lincoln M. Alexander (Hamilton West): A supplementary question, Mr. Speaker. I hope the minister also approves of the idea, as reported, of making sure that welfare recipients accept available jobs. This to me is an indication that perhaps the same thing could work with respect to UIC claimants accepting available jobs; this has certain merit. I wonder whether the minister is thinking along these lines, and is it his intention to bring in legislation making or forcing UIC claimants to accept available jobs?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Provision regarding availability for work and acceptance of suitable jobs is already embedded in the Unemployment Insurance Act, and is being monitored within the guidelines and regulations attributable to that legislation.

* * *

[*Translation*]

CONSUMER AFFAIRS

REQUEST FOR REPORT ON STUDY OF FOOD PRICES BY REVIEW BOARD

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a supplementary arising from the question put by the hon. member for Yorkton-Melville to the Minister of Consumer and Corporate Affairs.

The report submitted by marketing expert Bruce Mallen for the Food Prices Review Board was tabled yesterday. It appears from it that Canadians are paying about 4 per cent too much for food and that this seems to result from the quasi monopoly which eliminates competition among the four major food retailers, namely Dominion, Weston-Loblaw, Canada Safeway and Steinberg. Is the minister now in a position to clear up this question or can he inform the House if he intends to implement the recommendation contained in the report to present legislation to enable the chain supermarkets to expand again, particularly where they already serve large areas ranging all the way up to 94 per cent of the market?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is a very interesting suggestion which deserves study. However, I repeat what I have said earlier to the hon. member for Yorkton-Melville, that this report was handed down to the director of combines investigation so that he might study the section concerning the overly large corporate concentration.

* * *

[*English*]

NATIONAL DEFENCE

STATUS OF MANITOBA CONTRACTS FOR ORION PARTS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is directed to the Minister of National Defence. On December 1, 1975, in the Standing Committee on External Affairs and National Defence, he stated that $560 million of contractual work would be done in Canada in the manufacturing of parts for the new Lockheed Orions, and that $50 million of this work would be done in Manitoba. Can the minister inform the House what is the status of these contracts in light of the latest development—that the government may not be purchasing the Orions?

[Mr. Andras.]

Hon. James Richardson (Minister of National Defence): Mr. Speaker, none of the arrangements for industrial benefit are themselves in jeopardy; but, as the hon. member knows, the contract itself is in its final stages of negotiation by the Department of Supply and Services.

Mr. McKenzie: A supplementary question, Mr. Speaker. At the committee meetings the minister stated that the work "would be starting now", meaning December 1, 1975. He further stated that Standard Aero in Winnipeg will not have to wait but will start to get work now. Has Standard Aero actually started making parts for Orions?

Mr. Richardson: Mr. Speaker, until the main contract has been signed there will be no work for any companies in Canada.

POSSIBLE OPENING OF SUFFIELD RANGE FOR GRAZING

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I have a further supplementary question for the Minister of National Defence. It relates to the recent decision by the Department of National Defence to close the PFRA Suffield community pasture near Medicine Hat. In view of the fact that this decision means that approximately 5,000 head of breeding cattle will have to find new homes for summer grazing or be put on the market, I ask the minister if he will give immediate consideration to rescinding the departmental order in view of the recommendation from PFRA to his cabinet colleague, the Minister of Regional Economic Expansion, that this pasture should be operated as a permanent PFRA pasture and not on the present temporary basis.

● (1450)

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the general practice over the years has been that the Suffield range was opened for grazing in emergency circumstances, particularly in a very dry season. As the hon. member knows, the grass crop has been excellent, so there has been no emergency and therefore it was decided not to open the range for grazing this year.

Mr. Hargrave: Mr. Speaker, I have a supplementary question for the Minister of National Defence. Will the minister then indicate if he is now able to supply copies of the three reports I have requested in writing which deal with this very urgent situation and especially the report from the Minister of Regional Economic Expansion.

Mr. Richardson: Mr. Speaker, I will look at the hon. member's request and if it can be carried out it will be. I do not know what the reports contain.

INDIAN AFFAIRS

MERCURY POISONING—STEPS TO PROVIDE ALTERNATE SOURCE OF FOOD

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development and arises from a series of questions that were asked concerning mercury poisoning in northwest Quebec. The Minister of National Health and Welfare indicated there were plans issued to provide alternate protein sources or alternate livelihood for those people, some 20 of whom now have symptoms of poisoning and at least three of whom have been confirmed as having the Minamata disease. Could the minister advise the House specifically rather than generally what he intends to do to provide a protein source for those Indians who now are reaching the fishing season and will have to find something to eat; secondly, what he intends to do to give those who depend so much on fishing an alternate livelihood.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, in reply to the question of the hon. member, it is my understanding that arrangements are being made for an alternate protein source. I am sorry that I will have to check and give the hon. member the details concerning the question. Alternate economic development. It is similar to the situation in northwestern Ontario, and it is a slow and difficult process to develop in these areas.

TESTING FOR MERCURY POISONING AT CAUGHNAWAGA RESERVE—REASON REPORT ON CEDAR RAPIDS NATIVES NOT RELEASED

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, the testing results at the Caughnawaga Reserve have now been released, showing the levels there. There are some levels as high as 11.7 parts per million which is well above the standard of .5 for Canada for example. The TB levels are also very high. Can the minister advise whether any testing is going on on the Caughnawaga Reserve on the potential of mercury poisoning in that area and would he also advise why the report on the Cedar Rapids Indians which was done last November has not yet been released to the public so that these Indians will know whether or not they are suffering.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think the questions on the report should be directed to my colleague the Minister of National Health and Welfare. I think it will be found that fish is a relatively minor source of protein so far as the Caughnawaga Reserve is concerned. It is not like the other locations.

* * *

ADMINISTRATION OF JUSTICE

DATE ON WHICH TIME FOR APPEAL IN IRVING CASE STARTS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, this is a question for the Minister of Justice. It follows an earlier series of questions about the fairness of the appeal proceedings. Can the minister assure the House that the time for the appeal in the Irving pulp mill case will run from the date of promulgation of the procedures and not from the date of the administrator's order.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I would not want to give that assurance without specifically looking at the wording of the act. As I indicated, the procedures will be laid down without prejudice to the parties and that will be very soon.

* * *

LABOUR CONDITIONS

DATE OF HALL REPORT ON PENSIONS FOR RAILWAY EMPLOYEES

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, my question is for the Minister of Labour. In view of the numerous requests I, and I am sure many other members of this House, have been receiving in respect of railroad workers and the Hall report, could I ask the minister if he could give us a progress report in this regard or tell the House when we can expect the report which is long overdue.

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. I think the hon. member is referring to the question of pensions for railway employees and my advice is that Mr. Hall will have his report out at the end of February or toward the middle of March at the latest.

* * *

CONSUMER AFFAIRS

REQUEST FOR EXTENSION OF DEADLINE FOR NEW PACKAGING REGULATIONS—POSSIBLE EXEMPTION OF SMALL BAKERIES

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. It concerns the March 1 date which has been set for the regulations to be brought in with regard to labelling and packaging of consumer goods. I should like to ask the minister if he is giving consideration to extending that March 1 date so that retailers can use up more of the packages they have on hand? Second, I should like to ask him if small bakeries in small towns which cater only to the local trade and package their goods over the counter will be exempt from these regulations.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, my answer to the first part of the question is no. As for the second part, arrangements will be made by the officials responsible for supervising the application of that act to facilitate the transition for the companies and spare them too many difficulties. On the other hand, where small companies are concerned which deal in cakes and bread, recommendations have already been submitted to their association with a view to finding some accommodation.

Oral Questions

[*English*]

NATIONAL PARKS

JASPER—DATE OF REPORT ON REMOVAL OF RAILWAY FACILITIES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Some weeks ago the minister was good enough to tell me that the intradepartmental parks department paper or report with regard to the moving of railway facilities from Jasper National Park would be made to the minister. Has he yet received the report? If not, when does he expect to receive it and to make it public?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have received the report. I am just going through an analysis now. I will have a look at it. I do not see any reason it should not be made public virtually immediately.

Mr. Speaker: Order, please. The hon. member for High Park-Humber Valley (Mr. Jelinek) rises on a point of order.

Mr. Jelinek: Mr. Speaker, you will recall that on January 3, the day I departed for Innsbruck for the primary purpose of acquiring—

Some hon. Members: Oh, oh!

● (1500)

Mr. Jelinek: —an even better understanding of the organization and procedures in preparation for the Olympics, I suggested that was something which the government should have done a long time ago.

Some hon. Members: Hear, hear!

Mr. Jelinek: On that day the Parliamentary Secretary to the President of the Privy Council brought to the attention of this House statements I had made the previous evening during the adjournment proceedings, one of which referred to Your Honour. I would like to take this opportunity to put on the record that that particular comment of mine was an offhand remark and, that I had absolutely no intention of casting any reflection on the Chair. If, however, that remark was given a different interpretation by others, I should like to take this opportunity to apologize to you, sir, for the misunderstanding.

Some hon. Members: Hear, hear!

Mr. Cossitt: Mr. Speaker, I rise on a point of order which stems from a question I asked in the House two weeks ago on Monday of the Secretary of State for External Affairs. At that time I asked the minister if he could report to the House on reports that the Canadian embassy in Havana had been invaded by the Cuban police and that personnel and members of the press from Canada had been manhandled during the incident. The Secretary of State for External Affairs said he would look into the matter and report. Since 15 days have gone by, and the Prime Minister was there at the time it happened and is sitting right beside the minister—if he does not run away—surely the minister could tell the House now exactly what happened.

Mr. MacEachen: Mr. Speaker, I did look into the question raised by the hon. member and I discovered that, as is normal, Premier Castro had some security people with him on his visit to the Canadian reception. There were some slight misunderstandings which were rapidly cleared up.

Some hon. Members: Oh, oh!

ROUTINE PROCEEDINGS

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Thirteenth Report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Cafik.

[*Editor's Note: For text of above report, see today's Votes and Proceedings*].

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 3,330, 3,535, 3,644, 3,771, 3,883, 3,888 and 3,902.

[*Text*]

AMENDMENT TO INCOME TAX ACT

Question No. 3,330—**Mr. Brisco:**

Has the Department of Finance considered allowing interest on first and second mortgages paid on a house in which the owner is resident, as a deductible item for the purpose of calculating personal income tax?

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): An amendment to the Income Tax Act to allow a mortgage interest deduction has been considered by the Department of Finance on a number of occasions and each time has been rejected. Reasons for rejection include the very high cost of such a deduction, the fact that it would discriminate between those who have mortgages and those who do not, and the fact that it would increase the demand for borrowed money, thus driving up interest rates.

PEI COMPREHENSIVE DEVELOPMENT PLAN—PHASE 2

Question No. 3,535—**Mr. MacDonald (Egmont):**

With reference to the recent agreement on Phase 2 of the PEI Comprehensive Development Plan, does the general objective spelled out in Schedule "C" represent a departure from the original aims of the Plan, especially in light of the absence of any reference to improved social conditions?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: No.

CONTRACTS AWARDED TO INTERIMCO LIMITED OF OTTAWA

Question No. 3,644—**Mr. Clarke (Vancouver Quadra):**

Since 1972, have government contracts been awarded to Interimco Limited of Ottawa and, if so (a) by what department or agency was payment made (b) for what specific purpose (c) in what amounts (d) on what dates?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by all departments and agencies as follows: No.

DREE—GRANTS TO CONSTITUENCY OF CHAMPLAIN

Question No. 3,771—**Mr. Matte:**

1. Since its inception, has the Department of Regional Economic Expansion offered subsidies to businesses for the purpose of promoting regional development in the Constituency of Champlain and, if so, what has been the annual amount?

2. For each subsidy granted in the Constituency, how many corporations have accepted such offers?

3. What was (a) the name of the corporation (b) the amount of the subsidy (c) the year it was granted (d) the number of jobs created?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 1. Yes. Under the authority of the Regional Development Incentives Act (RDIA), the annual amounts offered were: 1971, $136,442; 1972, $387,106; 1973, $395,125; 1974, $219,200; 1975, $539,550.

2. Twenty five offers have been accepted.

3.

Name of recipient	Estimated Incentive Grant	Year*	Expected Direct New Jobs
Adrien Vohl & Fils Ltée	$65,502	1971	32
Antica Inc.	81,800	1975	24
Caron Ltée	60,000	1974	50
Charbon de Bois St-Prosper	32,000	1975	19
Construction Marmico Inc.	41,940	1971	28
D.P.M. Thibault Inc.	18,831	1972	11
Enterprise Goulet Inc.	39,600	1973	17
Eloi Moisan Inc.	22,940	1972	6
Fonderie Gosselin Inc.	7,035	1972	9
Gérard Crête & Fils Inc.	23,800	1975	9
Godin Knitting Inc.	16,000	1972	14
Groleau Inc.)	29,000	1971	52
Groleau Inc.)	120,000	1973	40
J. Ford & Co. Ltd.	95,500	1974	30
Jos Paquin & Fils Ltée	62,950	1973	20
La Chemise Hamel	37,000	1973	60
La Compagnie Frénéco Ltée	18,000	1975	4
La Scierie Parent Inc.	383,950	1975	95
Les Industries Zodiac	126,300	1972	28
Les Produits Marcono Ltée	30,450	1974	8
Pantoufle Mauricienne Ltée	33,250	1974	30
Produits Labonté Inc.	20,275	1973	14
Scotwell Industries Inc.	115,300	1973	50
Skirt Togs Industries	174,600	1972	174
Spliced Veneer Specialties	21,400	1972	32

* The year indicates the year in which the offer was accepted and not necessarily the year in which payment was made.

INTERDEPARTMENTAL COMMITTEE ON FORMS STANDARDIZATION

Question No. 3,883—**Mr. Beatty:**

1. What is the nature of each and every form sent to businesses on a routine basis by the government including (a) the department or agency sending the form (b) the type of business to which it is sent (c) the type of information sought (d) the uses to be made of the information gathered (e) the regularity with which each form is sent to a single business (f) the number of businesses to which each form is sent?

2. What measures, if any, are being taken by the government to reduce the amount of paperwork businesses are required to complete for the government?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The Interdepartmental Committee on Forms Standardization reviews and standardizes governmental forms. This function is carried out for the purpose of creating greater economies of scale in the printing area. The Committee would not normally consider forms sent to businesses and has neither the manpower, the financial resources nor the requisite authority to solicit government departments to determine the nature of forms sent to businesses.

ANNUAL INCREASES OF ASSETS OF EACH CHARTERED BANK

Question No. 3,888—**Mr. Lambert (Bellechasse):**

1. Between 1967 and 1974, what were the progressive annual increases of the assets of each chartered bank?

2. In each case, what was the origin of such increases?

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): 1 and 2. The assets and liabilities of each chartered bank, broken down by categories in accordance with Schedule M of the Bank Act, are published monthly in Part I of the Canada Gazette, including the period 1967 to 1974.

CANADA-USSR JOINT FISHERIES CONSULTATIVE COMMISSION

Question No. 3,902—**Mr. Marshall:**

1. Has the Canada-USSR Joint Fisheries Consultative Commission been established and, if so, who are the two members appointed by the government?

2. To the knowledge of the government, has the USSR appointed a fishery official to provide statistical information with regard to fishing operations in the North West Atlantic and, if so, what are his terms of reference?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. The Agreement between Canada and USSR concluded December 22, 1975 provided for the establishment of a Joint Fisheries Consultative Commission to be composed of two Commissioners from each side. Both Governments are in the process of determining appropriate Commissioners to be appointed in the near future.

2. The same Agreement also provided for the appointment of a Soviet fisheries official in Halifax. This official has not yet been appointed by the Soviet Government.

Order Paper Questions

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 3,858 could be made an order for return, the document could be tabled immediately.

[*Text*]

LANGUAGE TRAINING

Question No. 3,858—**Mr. Bawden:**

1. How much will the government be spending in the current fiscal year for language training courses?

2. How many members of the Public Service will participate in such courses?

3. How many days were involved in public servants taking language courses?

4. How many public servants, within their last two years prior to retirement have taken language training courses in the current fiscal year?

5. What reason was given for the $36,000 loss by Statistics Canada through a language training contract for which no service was received?

6. How many Statistics Canada employees were needed to meet the guaranteed minimum and how many actually participated in a language training course?

7. What are the criteria for measuring the success of the language training courses?

8. According to the criteria in Part 7, what percentage of public servants have successfully completed each grade of language training and have achieved an acceptable level of fluency in the language studied?

Return tabled.

[*English*]

Mr. Lambert (Edmonton West): Mr. Speaker, during the past two days I have been making a study of the number of questions that the parliamentary secretary routinely asks the House to make orders for return. Then I looked at the questions to see what kind of answers were given. Unless there is some justification given in the House, I feel that they should not be made orders for return automatically, either because of the length of the answer or for some other reason. Those answers are buried in the office downstairs, and often they are the most embarrassing to the government.

I suggest that there be a change in the procedure and that the hon. member should explain why he is asking for the extraordinary procedure of making them orders for returns. It is only an exception to the request where an answer is written. Therefore, I think the House should watch this matter very carefully, and I would ask the parliamentary secretary to justify his reasons every time he asks for this procedure to be followed.

Mr. Blais: Mr. Speaker, may I say, on that point, that we do not attempt to have a reply to a question made an order for return unless we feel—

Mr. Lambert (Edmonton West): Unless the House feels.

Mr. Blais: —unless we feel that there is too much material to be printed in *Hansard*. We simply move to have the question made an order for return if the reply is voluminous. The hon. member is free to request, as he has done on a number of occasions, some explanation as to why, in a specific instance, there is need to make a question an order for return. I simply wish to indicate to him that in the past few days we have had a number of voluminous replies, even though they may have been partial answers to questions. In those instances it was justifiable to seek permission of the House to make them orders for returns, and that permission was always granted.

As to whether the answers are buried in the depths of this chamber, may I point out to the hon. gentleman that the hon. member who seeks a reply, whether the answer is printed in *Hansard* or made an order for return, receives a complete copy of the return upon its being tabled in the House. Yesterday I must have sought permission to get 12 replies made orders for returns, and I fail to see why in all instances I should enumerate the reason we wish to make orders for return in the case of answers, some of which are 40 pages long. I find it unjustifiable. The way we have proceeded in the past is reasonable. It generally has met with the approval of the House, and to my recollection the only one who has objected from time to time has been the hon. member for Edmonton West.

Mr. Speaker: Order, please. The point has been raised many times before. It is the normal practice of the House that the parliamentary secretary should seek leave of the House that certain questions be made orders for return, to which the House must give its consent. It is the right of any member who feels aggrieved, either by the individual application of the practice in general, to withhold that consent. It has been suggested in the past that that procedure be altered. That suggestion, I hope by automatic process and with guidance from the Chair from time to time, has been passed along for the consideration of the Standing Committee on Procedure and Organization.

Until there is consensus forthcoming from the House on the need for a change in the procedure, it would seem that the practice must continue. If, however, any hon. member feels aggrieved either by the individual application of that practice or by the practice in general, he always has the right to withhold agreement to the request by the parliamentary secretary for leave of the House to make an individual order for return.

Mr. Blais: Mr. Speaker, I ask that the remaining questions be allowed to stand.

● (1510)

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

ANTI-INFLATION ACT

DECISION OF ADMINISTRATOR RESPECTING IRVING PULP AND PAPER DISPUTE

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I ask leave to move, seconded by the hon. member for Nickel Belt (Mr. Rodriguez), the adjournment of the House under the provisions of Standing Order 26 for the purpose of discussing a specific and important matter requiring

urgent consideration, namely, the immediate need for the government to amend the Anti-Inflation Act to provide for a right of appeal from a decision of the Anti-Inflation Board and/or the administrator to either party affected by such a decision, a necessity vividly illustrated by and urgently warranted in response to the decision of the administrator in the Irving Pulp and Paper case whereby one of the aggrieved parties, namely, the union, was accorded no right of appeal from a decision affecting the livelihood of its members, and the further necessity of preventing a total breakdown of the free, collective bargaining system throughout the economy by ensuring an equitable appeals process and the compelling need for the House to debate the necessity for such an amendment.

Mr. Speaker: Order, please. The hon. member yesterday put forward a very similar motion, and at some length I indicated that with considerable regret I was not able to accede to the request. With slight modification, with all due respect, the hon. member has repeated the application today.

It is the nature of the Standing Order that if circumstances change, then in fact not only is it possible for hon. members to bring forward for a second or third time an application under the same Standing Order, but on occasions in the past the Chair has invited hon. members to do so. However, where repeated applications are made one day after the other without any suggestion that the circumstances have changed in the interval, it is very difficult for the Chair not to regard that simply as an attempt to appeal on Tuesday the ruling of the Chair on Monday. I say that only by way of general admonition to the hon. member.

On the other hand, there is not substantial disagreement about the circumstances of the case, nor is there any disagreement on any side—obviously, by the nature of the questions asked again today—about the importance of the matter. Where there is fundamental disagreement between the hon. member and the Chair is whether Standing Order 26 ought to be used to reopen legislation which was passed recently by the House and which in its operation is perhaps aggrieving a substantial number of parties in the country. But in fact it is doing so by the operation of legislation which must, in the opinion of the Chair, have been envisaged when the legislation was passed by this House.

The difference between the hon. member and the Chair in this instance is that where pressure, as his notice of motion puts forward today, is for an amendment to that legislation, it is the opinion of the Chair that amendment ought to be sought in the way it is being sought daily, through questions and, presumably, in other ways which are open to hon. members to seek amendments to legislation.

However, where there is no indication that there is some dereliction in the performing of duties under the legislation, or some breakdown in it, I suggest, with the greatest respect to all hon. members using the question period, that the "late show" is available; that the estimates of the minister will be tabled, I understand, tomorrow, and the minister will be before the standing committee where he can be questioned in much more detail and in a much more continuing manner. There are a number of ways open to all hon. members to seek improvements and amendments to the legislation.

Where there is disagreement is that if the legislation which was passed by this House a short time ago is having precisely its intended effect, and parties are aggrieved by it, I do not see that that is a cause for the use of Standing Order 26. There is a fundamental disagreement between the hon. member and other hon. members and the Chair in that respect. However, that is the opinion the Chair holds, and this is the second consecutive day upon which the Chair has made that ruling.

If there is in fact some circumstance which alters the situation, the Chair is more than open to entertain further applications under the Standing Order. But I should repeat that where the allegations are, as they are in the notice of motion of the hon. member today and yesterday, that the legislation is having an effect which aggrieves certain parties but which is the intended effect of the legislation, it is the view of the Chair that that is not a ground for the use of emergency procedures pursuant to Standing Order 26, no matter how important that effect may be. There is no doubt, particularly backed up by the questions of hon. members again today, that it is an important area and that it is having a very serious effect. The only disagreement is about the use of Standing Order 26 in that particular situation.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISIONS ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed, from Monday, February 16, consideration of Bill C-58, to amend the Income Tax Act, as reported (without amendment) from the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Lambert (Edmonton West): Mr. Speaker, I adjourned the debate at ten o'clock last night. It is fortunate that there are no regulations in this bill to be implemented by a minister, thereby creating a serious situation, and we would certainly be as rough on a minister of national revenue if he were guilty of laches in preparing and presenting regulations. I think I have traversed all the arguments I wished to put forward to this House with regard to the amendment before us, and I seek the support of hon. members opposite and earnestly ask them to vote in favour of the amendment. On that note, we are ready for the vote.

[*Translation*]

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question!

Non-Canadian Publications

The Acting Speaker (Mrs. Morin): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mrs. Morin): All those in favour of the motion will please say yes.

Some hon. Members: Yes.

The Acting Speaker (Mrs. Morin): All those against the motion will please say no.

Some hon. Members: No.

The Acting Speaker (Mrs. Morin): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Please call in the members.

[*English*]

The House divided on motion No. 6 (Mr. Friesen) which was negatived on the following division:

● (1520)

(*Division No. 109*)

YEAS

Messrs.

Alexander
Alkenbrack
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Balfour
Beatty
Beaudoin
Brisco
Cadieu
Caouette (Villeneuve)
Clarke (Vancouver Quadra)
Coates
Cossitt
Crouse
Darling
Diefenbaker
Dinsdale
Dionne (Kamouraska)
Ellis
Elzinga
Epp
Forrestall
Friesen
Gauthier (Roberval)
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hnatyshyn
Holt (Mrs.)
Howie
Huntington
Hurlburt
Jarvis
Jelinek
Johnston
Jones
Kempling
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Edmonton West)
Lawrence
MacKay
MacLean
Macquarrie
Malone
Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nielsen
Oberle
O'Sullivan
Paproski
Patterson
Ritchie
Roche
Roy (Timmins)
Rynard
Schellenberger
Schumacher
Scott
Skoreyko
Smith (Churchill)
Stanfield
Stewart (Marquette)
Stewart (Cochrane)
Towers
Wenman
Whittaker
Woolliams
Yewchuk—82.

NAYS

Messrs.

Allmand
Anderson
Andras (Port Arthur)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Blaker
Blouin
Boulanger
Brewin
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Caron
Chrétien
Clermont
Collenette
Condon
Corriveau
Cullen
Cyr
Danson
Demers
Douglas (Bruce-Grey)
Douglas (Nanaimo-Cowichan-The Islands)
Drury
Dupras
Duquet
Ethier
Faulkner
Firth
Fleming
Flynn
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gilbert
Gillespie
Goodale
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Harquail
Herbert
Hopkins
Isabelle
Jamieson
Knowles (Winnipeg North Centre)
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Leggatt
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
MacDonald (Egmont)
Macdonald (Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
Maine
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Morin (Mrs.)
Munro (Hamilton East)
Nicholson (Miss)
Nystrom
O'Connell
Orlikow
Ouellet
Pearsall
Pelletier
Penner
Peters
Philbrook
Pinard
Poulin
Prud'homme
Railton
Reid
Richardson
Robinson
Rodriguez
Rooney
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stollery
Symes
Tessier
Trudeau
Turner
Whelan
Young—123.

[The Acting Speaker (Mrs. Morin).]

● (1540)

Hon. James Hugh Faulkner (Secretary of State) moved that Bill C-58, to amend the Income Tax Act, as reported (without amendment) from the Standing Committee on Broadcasting, Films and Assistance to the Arts, be concurred in.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: I declare the motion adopted on division.

Motion agreed to.

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

Some hon. Members: Now.

Some hon. Members: Never.

Mr. Speaker: At the next sitting of the House?

Some hon. Members: Agreed.

Mr. Roy (Timmins): Mr. Speaker, I rise on a point of information. Is there no debate on third reading?

Mr. Speaker: The motion first put after the disposition of motion No. 6 was simply a motion for concurrence in the bill, which concludes the report stage. The next question was, "When shall the bill be read the third time?" Of course, without leave the bill cannot be read the third time

until the next sitting of the House. Debate is, of course, possible upon a third reading motion at any sitting.

Mr. Blais: Mr. Speaker, through usual consultation the order of business will be Bill C-68.

* * *

● (1550)

MEDICAL CARE ACT

AMENDMENT TO LIMIT ANNUAL INCREASE IN PER CAPITA COST OF INSURED SERVICES UNDER MEDICAL CARE PLANS

The House resumed, from Monday, February 2, consideration of the motion of Mr. Lalonde that Bill C-68, to amend the Medical Care Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. P. B. Rynard (Simcoe North): Madam Speaker, I am amazed that the federal government should bring in a bill to limit doctors' incomes to a rate of increase far below the rate of inflation, particularly in view of the fact that they received an increase of only 4½ per cent in 1971 and no further increase until 1974. That was a three-year interval without an increase. Then in 1974 they received an increase of 7.75 per cent, far below the inflationary factor. It is hard to believe that this child, national medicare, was brought in to give the highest quality of medical care to all individuals in Canada regardless of their resources or where they live. That any government dedicated to such high principles as the government of the late Lester B. Pearson—a Liberal government at that—could now, so hypocritically, attempt to destroy those worthy principles is hard to understand.

I believe doctors will continue to give the highest quality of medical care they are capable of giving, in spite of the efforts of politicians to lower and undermine the standard of medical care in Canada. Most doctors realize that the strutting politician of today occupies the stage of time for only a brief moment, after which he is gone, leaving the good or harm he has done as a tiny scar on the face of humanity. It is hard to conceive the reasons for which a government beset by scandals and under the table deals involving bookkeeping no auditor would ever pass, would have the temerity to bring in a bill affecting a group whose increase in pay has been far less lavish than the pay increase granted to its own members or its own increase in spending. The bill is wrong; the principle is wrong.

The cost of medicare is declining in relation to the gross national product. Hospitals, it is true, have been running into trouble—I give the minister credit for pointing this out—but they are running at a lower rate of inflation than the government. What is the reason for making health care costs the whipping-boy, the unwanted child of a government which has surely committed worse follies? I wish to quote a statement made by the Secretary of State for External Affairs (Mr. MacEachen) who brought this act into being. I do not in any way blame the Minister of National Health and Welfare (Mr. Lalonde) for the mess we have got into, though I wonder sometimes whether he has made the best use of the talents he possesses; whether he could not do more to influence his provincial counterparts and create an atmosphere in which the job could be done together. These are the words which were spoken by the former minister of health:

> Health is not a privilege tied to the state of one's bank account but, rather, a basic right which should be open to all.

I want to put on record, too, the fact that at the federal-provincial conference held in July, 1965, then prime minister Pearson announced the federal government's resolution to provide financial support for provincially-instituted medical care plans. At that time he announced his government's intention to share 50 per cent of the cost of medical services provided the provinces met his principles—eligibility, comprehensiveness, universality, public administration, and portability.

The minister of national health and welfare at that time confidently estimated that the net cost of the scheme to the two levels of government would be $80 million. I should like to point out that the treasurer of Ontario, when made aware of the contents of the legislation, inquired prophetically, "What guarantee have we that within a few years from now the federal government will not dump the whole responsibility for this program on the province and close off or limit its contribution after it has obliged the provinces to embark on its slippery slope?" That was the statement made by Hon. Charles MacNaughton in November of 1968.

Basically, then, opposition to the federal government's proposal came from two camps and centred on two distinctly different concepts. The provinces maintained that the Medical Care Act represented a federal encroachment upon exclusively provincial jurisdiction. I wish to emphasize once again, though I have already made it clear on a number of occasion, that this program has now become a federal-provincial program and it was the federal government which made it so. This aspect was stressed by the provinces themselves after the federal government had entered the field. During the discussion which preceded the introduction of the program, the provinces also maintained that their priorities were distorted by the availability of federal dollars, that the program was untimely and uncalled for in light of other considerations and existing provincial health care systems, and that the provinces had very little control over administrative costs, procedures or priorities.

I would remind the minister, further, that when Hon. John Robarts, who was premier of Ontario, embarked upon this scheme he was forced into it by the federal government collecting from him, legally or illegally, the cost of the medicare program. Ontario had its own scheme. As to the implications of the bill before us, I would draw the attention of hon. members to a statement made by the Minister of Labour (Mr. Munro) in 1969. He said:

> The cost of health services has risen so rapidly in Canada in recent years that three alternatives are imminent:
>
> The standards of health care now available can be reduced, or
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> Taxes, premiums or deterrent fees can be raised even higher—

That was the second suggestion. I ask the minister why medicare was brought in if there was going to be a deterrent fee. This is exactly the reason it was brought in. That is number two of the premise. The third was as follows:

> Ways must be found to restrain the growth of cost increases through better operation of the health service structure now in existence.

That statement was made in 1969—seven years ago. I am not blaming the present minister; I have a great deal of confidence in him, and he is working very hard to do his job; but it seems to me he is having to take care, as it were, of an automobile which must be kept on the road somehow, though it is in extremely poor shape; he has to make the best of it, but his best is simply not good enough in the circumstances. At any rate, he and his colleagues have had seven years in which to do something about it, but they have preferred to ignore it.

Today we find hospitals which charge patients $50 a day being closed in rural parts of Ontario, while hospitals in Toronto charging $150 a day are still open. I ask the minister how he intends to deal with people who fall sick in areas where hospitals are closed. Has the federal government considered its priorities carefully? I also ask provincial governments whether they have reviewed their priorities in the fields of education, transport, and so on, because I think this whole matter has been handled very badly.

The former minister of finance, Hon. John N. Turner, maintained that the cost of health care had risen by almost 20 per cent compared with last year. He was correct—but what he discreetly failed to mention was that almost the whole of this increase was the direct result of escalating expenditures in hospitals, not medical care.

● (1600)

This is a bad bill, and I say that very emphatically. It is a direct attempt to introduce shoddy medical care into one of the highest standards of medical care in the world. It is an attempt to downgrade the quality of medical care. This bill will stand long after the anti-inflation legislation has gone. We all know inflation tends to have a run after controls are taken off, but this bill will stay on and only an act of parliament will remove it.

The minister was very proud when speaking to Senator Edward Kennedy the other day about the cost of medical care in Canada compared with the United States. I know the minister thought he was absolutely right, but I happen to have been in hospitals in the United States. I did some of my training in them, and these hospitals are doing research into many things that we do not do in Canada. They have a population of 220 million, yet they are doing far more research than we are, with a population of 22 million scattered across Canada. This is why their costs are higher. They are giving the world much more research than we are. So I do not think the minister's comparison was quite fair. I know he meant well when he cited the figures, which I know are accurate enough; but, as I say, things are done in United States hospitals that are not done in Canadian hospitals.

The minister must concede that no group has conducted itself as well as the medical profession. I suppose the government takes a look at the votes of the doctors and thinks there are only 30,000 of them. Since these votes are a drop in the bucket, they say, "Let the doctors squawk." This may sound very political, but the government is being even more political by bringing in this bill. It is also cutting research. It is cutting personnel in order to pay health care costs. It is sacrificing research now, when research would lessen health care costs in the future. Again I should like to refer to the United States which spends 20 times the sum Canada spends on heart research. A further tragedy is that there is less and less opportunity for bright graduates to find a position that enables them to do heart research in Canada.

Canada is not looking after its alcoholics, either. The minister spoke about costs. Some statisticians believe that alcohol is the number one killer, ahead of cancer and heart disease. Yet thousands of our alcoholics have to go to the United States for treatment, according to Dr. George Strachan of Sydney. The government lowered the drinking age, which in turn increased the number of alcoholics requiring treatment in our hospitals. I might point out that each alcoholic requires the services of five people, which means a tremendous cost in caring for alcoholics. Preventive medicine, properly applied, could cut the rate. Health care costs will definitely go up and at a faster rate in the future. Millions of dollars over and above what is being spent now will be required for research.

I am sure that the minister realizes that in Canada today we have an aging population. He knows as well as I do that any person 60 years of age or over requires three times the health care of a person of 20. This is why costs will increase; there is no way to stop it. We do not have sufficient food to feed the young population of the world, and the old people will suffer even more. The pattern of medicine has changed. The fastest growing group in Canada today is the elderly. I remember a few years ago a well known preacher stating that this was the age of youth, and at that time half the people in Canada were under the age of 25. What he forgot in his enthusiasm for the growth of youth, of course, was that the pill and scientific medicine had knocked this idea into a cocked hat. The over-60 age group is now the fastest growing group, and as a result we have created a socioeconomic problem. I emphasize that fact because I have heard no mention of it in the House or at medical boards, university meetings I have attended, and so on.

We have a new breed of patients of which we have only limited experience. I refer to those 50 years of age and over who suffer from degenerative diseases. They are not cured by a pill or an antibiotic, and they create new problems in medicine. This field of study is known as geriatrics. To deal with this ever-increasing problem we have one chair of geriatric medicine in one university in the whole of Canada, namely, in the city of London. I think I am correct in saying that. The only one I know of is at Western University, and even they had to go to Great Britain to get a competent professor. Every school of medicine should have a chair of geriatrics so that prevention and treatment could be effectively applied.

The reason three times as many people fall sick at 60 as at 30, people requiring three times the amount of hospitalization, is degenerative diseases. We are entering an age in Canada where we will require more and more hospital care to take care of our aging population. We are trying to bring down the cost of hospitalization by keeping these people working if possible. But we are learning that diseases affect the elderly a little differently, and in some cases much differently. This is why the government should be doing research and establishing chairs of geriatric medicine. This must be done if we hope to cut costs. I give the minister credit for his exercise campaign, and so on. How-

ever, he is not going far enough and is not getting to the heart of the question. He does not understand the problem. Having only one geriatric chair in the whole of Canada is ridiculous.

In the field of medicine, 60 years ago pediatrics was in its infancy. Today there are over 800 pediatricians in practice. Has this paid off? Let us look at the track record. About 50 years ago disease was the common killer of people up to the age of 40. By adopting the scientific approach of setting up chairs of pediatrics we have almost eliminated disease and today accidents are the most common cause of death of persons up to the age of 40. In addition, we have almost eliminated disease among children. This approach has so changed the span of life that life expectancy, which in 1900 was 45 years, is over 75 years today, putting more and more people into the old age group who are requiring more and more medical care. Again let me emphasize my point to the minister: how in the world are we going to cut costs if more and more people are getting sick?

Our aim must be to spend more money on research in order to prevent, later in life, degenerative diseases as much as possible. This means doing research to find the cause of cardiovascular and other degenerative diseases and preventing them. These diseases can only be prevented in infancy. Research into these diseases is being conducted now in Canada with the 20 to 30 age group, but this is far too late. In the Korean war it was found that 50 per cent of young people between 20 and 30 years of age were already suffering from coronary disease. This research must start in infancy, not at the age of 30 when 50 per cent of the people affected by the disease show evidence of arteriosclerosis in their coronaries.

This is a bad bill because more and more money, not less, is required to reach this group of people with degenerative diseases. More and more money must be spent on research so that we may well be able to prevent degenerative diseases and treat the ever-increasing number who are reaching the age of 60. Further, the bill will denigrate the quality of medical care in the have-not provinces. I do not want to see the minister stay with something that is sliding down the hill. I have quite a high regard for the minister. I do not want to see him sitting on something that is so bad. If he will look carefully at the statistics I have presented, I ask him how in the world there will be less sick people when we have these statistics concerning the aging population. What has he done in the last five years to stop the erosion of facilities which have been provided? We might look at what is happening in Ontario, where through the closing of hospitals people are being frightened to death. What is happening? I quote from an article by Dr. Munro:

● (1610)

Mr. Lalonde has stated that "relative to any other groups in society, doctors' salaries have remained the same since the introduction of medical care when they took an increase."

However, research by Ronald Neilson published in the Ontario "Medical Review" in the summer of 1975 shows they have declined.

In summary we can expect from looking at past behaviour and current trends that there will be increasing governmental interference in medical practice. There will be an increase in the number of administrators and administrative costs of hospitals and medical care. There will be increasing waiting lists for medical treatment and lowering of medical standards.

The standards of excellence in treatment in Canada and Ontario that the public has learned to expect will become less obtainable. There will be a progressive drift from Canada of those people in medicine who demand excellence as the criteria for their practice of medicine. Those people now entering medicine will rapidly become disillusioned.

Ultimately, the only people remaining or entering medicine and allied fields will be second-raters who accept less than the ideal. Patients will soon learn to accept these standards, as they have in Britain, because there will be little else obtainable.

There is no indication to show that Canada, or any other country, can produce a leader who has the moral guts and leadership to admit past errors, and more equitable system. "Politics", said Robert Louis Stevenson, "is perhaps the only profession for which no preparation is thought necessary".

In conclusion, I want to say to the minister that I have much hope for him. I know that in his mind and heart he knows he is not doing the right thing in this field. However, he has hold of a political machine which must be operated and he must do the best he can to patch it up. When he tries to get out of this by saying it is a provincial matter, he is evading the issue. This was squarely laid down by Lester B. Pearson and others. At the time the provinces were subjected to this they said that they should be allowed to run their own show. From that date on, the federal government must accept responsibility in respect of any province where the Medical Care Act and the hospitalization situation is in difficulty. So I say to the minister that there is no way he can evade his responsibility. I hope that on sober second thought, as he attends the conferences he has been talking about and meets the people from the province of Ontario he will remember his duty and the fact that the responsibility rests with the federal government.

Mr. Peter Elzinga (Pembina): Madam Speaker, I also appreciate the opportunity to say a few words in respect of Bill C-68. It appears to me that the government has shown very little interest in this debate. This is a matter of great concern to Canadians. Although members of the opposition are often criticized for their participation, I believe we have an obligation to point out what we feel are the negative aspects of legislation such as this.

I think this legislation is a prime example of the Liberal philosophy. First of all we saw the federal government badger the provinces to join the medical scheme and practically ram it down their throats. After successfully pushing the provinces into the program, the federal government wishes to limit the expenditures it will contribute to it. Once again we see how this government, which thrives on confrontation, operates. So often in the past it has used the big club, so to speak, to push its views down the throats of the provinces. We saw this in the area of natural resources through the Petroleum Administration Act and Petro-Can. Now we also see it in the area of transportation.

The Minister of Transport (Mr. Lang) has come down with a decree concerning what he will do in respect of the transportation system, without consultation with the various regions. I fail to see why the government does not consult more with the provinces in these pertinent areas if it ever hopes to achieve any harmony in the country. With regard to this specific piece of legislation, the federal government wishes to save a certain amount of money. That is understandable. I ask, however, why it does not look into the area of hospital costs, because my understanding is that approximately 80 per cent of the over-all

costs related to medical costs are consumed by hospital care or institutional care, while only 20 per cent of the over-all costs can be attributed to physicians' services?

I believe something is drastically wrong with our system when hospital costs are over $100 a day for room and board. This is an area which the federal government should investigate. It should investigate whether the amount it currently pays for high cost, in-hospital active treatment care in these cost-sharing agreements with the provinces could be reduced. I do not believe this bill covers hospital costs; it is applicable to only 20 per cent of the over-all medical costs of physicians' services. We must also ask ourselves whether control in this area is justified. I should like to quote from the brief of the Alberta Medical Association. In that brief the association points out the following:

> Before examining the implications of the ceilings on federal contributions to Alberta, it is worth while to determine whether, in fact, control is justified. In his budget speech, Mr. Turner stated that last year federal contributions to the provinces in respect of the hospital and medical care insurance programs had to be increased 19.8 per cent over the previous year.

The Alberta Medical Association then went on to point out that the average per capita medical care costs for the ten major provinces rose only 5.9 per cent from the fiscal year ended March 31, 1973, to the fiscal year ended March 31, 1974. I hope the minister will respond to this question because I ask him to justify the large discrepancy in the figures. The federal government states that the contribution had to be increased by 19.8 per cent over the previous year, while the Alberta Medical Association points out that the per capita medical care costs for the ten provinces rose by only 5.9 per cent for the fiscal year. I ask the minister, in his statement at the end of this debate, to explain that discrepancy and tell us why there is a difference of some 14 per cent in the two estimates, that of the former minister of finance and that of the Alberta Medical Association.

● (1620)

I also ask the minister what type of over-all effect this bill will have on medical research. It appears to me that drastic cuts will have to be made in medical research. I think it is very important that we repeat some of the statements which were made earlier by hon. members in this debate, because most of what was said prior to my entry into the debate is crucial to the discussion on Bill C-68. The few further comments that I would like to make were well covered by one of my colleagues who cannot be with us today because of the illness of his wife, a classmate of 1974 who raised several excellent points. I should like to quote the hon. member for Oxford (Mr. Halliday) as reported on page 10499 of *Hansard* of January 30, 1976. He said:

> It seems to be the concept and the philosophy of the government that the more control it can have over the individual, the more effective and better lives the people of Canada will have. This has been proven historically to be wrong over the centuries. Civilizations have gone down to complete failure and doom where this sort of situation has developed. I hope the government will see fit to begin to reverse its stand whereby it takes away all responsibility from individuals.

I think this bill exemplifies this government's philosophy according to which they know better what is good for the average individual than the individual himself. Our Prime Minister (Mr. Trudeau) has stated this repeatedly but, as the hon. member for Oxford said, this philosophy has been proven to be wrong in the past. It is also my hope that the government will see the error of its ways and will reconsider the implementation of this bill. On Wednesday, January 28, our spokesman replied to the minister with regard to this bill. I feel that some of what he said should be repeated. The hon. member for Athabasca (Mr. Yewchuk) said:

> The present Liberal government which, unfortunately, is governing this country, has a long history of confronting various groups, whether they be provinces, professional groups, labour unions, business or private citizens. This bill represents once again a provocative confrontation with provinces and with professional groups involved in providing medical service to Canadians. The government's present attitude in this regard is shameful. This bill represents unilateral action on the part of the federal government. It is arbitrary and has been brought forward without meaningful consultation with the provinces. Indeed, it indicates a lack of concern for the opinions of provinces in matters concerning federal-provincial agreements.

The hon. member for Athabasca, who is our critic and our spokesman on these subjects, received limitless compliments on what he said with regard to this bill. I think he has proved his competence in this area, and I consider it an honour to be his colleague on this side of the House. It is interesting to note that even the leader of the NDP complimented our critic on what he said in the following words:

> Madam Speaker, I should like to say regretfully at the outset that the Minister of National Health and Welfare (Mr. Lalonde) was not listening to the remarks of the hon. member for Athabasca (Mr. Yewchuk), and that is unfortunate because that hon. member has made one of the finest speeches on the subject of medicare I have hear anywhere, here in the House of Commons or outside . . .
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> His speech was an extremely thoughtful and competent approach to this very serious problem . . .
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> Unfortunately, the minister paid not one bit of attention while that official spokesman for the opposition did such a fine job . . .
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> That is unfortunate, Madam Speaker, and it shows something of the attitude of the minister who ignored the official spokesman of the Conservative party just as he has ignored, during the past year, the provincial health ministers of every province.

When I was travelling through my constituency I came across a good friend who is a doctor from Fort Saskatchewan, Dr. Sheppard, who is a daily recipient of *Hansard*. He said our critic had made a fine contribution on behalf of the Conservative party. I think it is evident, especially in our region of the country, that this government thrives on confrontration. We hope to bring light upon this subject in the House of Commons, but unfortunately all too often what we hope to bring to the attention of the minister or the government falls on deaf ears.

In conclusion, Madam Speaker, I should like to pay tribute once again to our critic, the hon. member for Athabasca, by quoting from the statement made by the leader of our party when he spoke in the debate. As reported in *Hansard* of January 30, 1976, the Leader of the Opposition (Mr. Stanfield) said:

> I was also unable to be present in the House when the hon. member for Athabasca (Mr. Yewchuk) spoke, but I read his speech with great interest. I thought it was a thoughtful and strong speech on the subject . . .
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> The hon. member for Athabasca said just about all there is to be said about the bill when he described it as an arbitrary, unilateral act by the federal government . . .
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> Here we see the government attempting to impose a ceiling unilaterally, not on the cost of medicare in this country but upon the federal government's contribution toward the cost of a program which the federal government itself has insisted that the provinces establish and

administer. Madam Speaker, surely treachery is not too harsh a word to use to describe conduct of that kind. There is no other word for it. I must say it is consistent with the behaviour of a government which seems to regard itself as in no way bound by its word.

Mr. Stuart Leggatt (New Westminster): Madam Speaker, first of all I should like to say that I agree with the previous speaker regarding the remarks of the Conservative critic on the bill, and I would like to associate myself with the remarks of the former leader of this party, a man who knows a considerable amount about this subject. I think the speech of the hon. member for Athabasca (Mr. Yewchuk) showed a degree of sensitivity about medical care that his profession seems to be showing increasingly these days. I see he is blushing slightly, but I may have some things to say about doctors that he may not be so thrilled about.

In any event, I think the medical profession is maturing in terms of looking beyond the needs of the profession and toward the needs of the public in terms of the provision of medical services. The minister is one of the more sensitive and progressive members on that side of the House. That has been the consensus of people in the opposition for a long time. I strongly suspect that this bill is somewhat distasteful to the minister, but I think he is bound by the cabinet decision on the subject and I hope he will address himself to this question at some time. If he had his way, I suspect he would prefer to see the expansion of medical services in this country, and of the federal government's share in those services so that the objective of all of us to see that there is a standard of medical care in Canada which is the same in Newfoundland as in British Columbia, and the same in P.E.I. as in Quebec, is reached. But when the government abandons that position it is taking a step toward a kind of medical chaos which we see south of the border.

This bill is one of several which demonstrate a significant change in the philosophy of the government, the decision to cut back on CYC, LIP and OFY and all those programs which go along with the essential philosophy that we can no longer afford the just society and therefore will have to move in another direction which says "Let the devil take the hindmost."

● (1630)

This legislation does make provision for some increases in medical care. I think the figures are 13 per cent in the fiscal year 1976-77, 10.5 per cent in 1977-78, and 8.5 per cent thereafter. Then, as I recall, the legislation allows the government arbitrarily to set that portion which it is willing to share. It is the height of arrogance for a government which has a deficit of something like $5 billion to $6 billion this year to start dictating to the provinces about fiscal responsibility. It should be the provinces teaching this government to balance its budget. The provinces should be telling the federal government how to spend money.

Mr. Lalonde: What about the deficit in British Columbia?

Mr. Leggatt: I would take the deficit we have now in British Columbia ahead of the one the federal government projects each and every year. British Columbia has a very modest deficit compared with the one for which the minister is partially responsible in terms of some of the wasteful spending which goes on here in Ottawa. However, it is typical that the federal government feels it knows best in terms of spending money.

The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) pointed out that we have entered the second phase of the delivery of medical care. The first phase was to remove the financial burden, and we have done that very substantially. The second phase now is to get into those programs which will reduce medical costs, but initially we may have to increase some of our programming. In other words, we must enter the preventive area. We must provide care for the chronically ill in extended care units, properly shared by the federal government. We must consider life-style modification. There is a very interesting report in British Columbia, by Dr. Foulkes, entitled "Health security for British Columbians". Dr. Foulkes did a rather exhaustive analysis of current medical problems. I think this is the most recent major report on the subject. He pointed out that life-style modification through government advertising is at a very preliminary stage because life-style modification through commercial advertising, the promotion of alcohol, the promotion of cigarettes and the promotion of unnecessary drugs in society, is a fairly major life-style determinant.

The government has to redress that balance, not necessarily through censorship but we, as representatives of the people, should be out there balancing that prejudice in favour of bad health, and we should be out there pushing nutrition and a denticare program. A denticare program would be initially more costly, but in the long run there would be a reduction in the total social cost. It is just that it would be transferred from the private area into another area.

Another recommendation in the Foulkes report was routine examination for the apparently well. That would be provided through the use of the community clinic system. Again, the idea of a community clinic and the provision of medical services through a different style than through an independent doctor is one which should be embarked upon as a pilot project so that we could compare the effect of that kind of service we now have in the private medical sector. However, with this kind of legislation, provinces are going to be faced with the significant problem of how to raise money for new programs which obviously the federal government will not share.

The logical approach would be a deterrent fee. A deterrent fee is all right for somebody who makes the salary of a member of parliament, but it is not all right for someone at the low end of the income scale. A deterrent fee is a deterrent, presumably, for those seeking unnecessary medical attention. There are a few, but the number is much exaggerated because, in our society, if people are so upset with themselves that they have to get some kind of advice, surely we have a responsibility to provide at least that much service. I think many members of parliament find that a good number of their calls tend to be something of a catharsis for people who indeed may be in need of some consultation or help. I do not see any reason why that kind of service should not be provided.

In considering the situation which could develop from the abandonment by the federal government of its responsibility, or at least this step in that direction, it is interesting to look at the way in which medical services are provided in the United States. One of the things which makes me proud to be Canadian is the envy with which this country is looked upon by others with regard to the way we provide medical services. We have a long way to go, but at least there is a degree of sensitivity and civilization in seeing that those people who are poor and without adequate medical services are cared for. Somehow, that in a sense distinguishes the Canadian character and it is no coincidence that Senator Kennedy was here recently investigating the way in which we provide medical services.

I found it shocking that doctors in California thought it necessary to withdraw services because the premiums for their liability insurance were so high. In the state of California a person under the medical program can go to a doctor on a reduced premium system, but the doctor does not have to accept that person; so there are people in California crawling from one doctor to another asking to be taken as patients. There are a number of doctors who take them, and a number who do not. The good doctors who take them are flooded with patients under the medical program. That is not the kind of service we want for Canada, and neither does our medical profession.

I will not deal with the Saskatchewan strike because I think it raises issues which are unnecessary to dig over any more. Probably the parties in that dispute have learned something in terms of a humane and civilized approach. I do not think there is any need for the medical profession suddenly to go on salary or to become civil servants, but the profession and the government should examine the possibility, particularly for remote areas where there is difficulty in getting doctors, of community clinics and the provision of specialty services through the community clinic system. There should also, perhaps, be a lateral service so that a patient can decide whether he wishes to use the government community clinic or private medical services. That kind of pilot project is certainly worthy of examination.

With regard to cutting costs, we should examine the amount of equipment in private doctors' offices and the amount of intensive use it receives. There are many medical clinics in this country with laboratory and x-ray equipment receiving little use compared with equipment at the hospital level. There should be some thought given to the rationalization of the very expensive equipment which doctors have to buy and the total cost of medical services as a result. You do not have to get into this business of making a unilateral decision not to share the medical costs above a certain level. In British Columbia, a few pilot projects for home nursing care have started to cut medical costs. In this way people are released from hospital earlier and beds become available.

● (1640)

The reluctance of the medical profession to make home visits is understandable. It is much more convenient for a doctor to visit his patients in hospital, especially if they are all in the same ward. The fact is, however, that such a system is extremely expensive and the cost per hospital bed is high. Home nursing, with adequate care provided, reduces the costs substantially, so the provision of additional delivery services does not always mean an increase in costs.

I think the decision unilaterally to refuse to participate in expanded programs—because that is really what the bill is about—exposes a philosophical departure by the Liberal party. It exposes the bankruptcy of the just society that was so successful in this country around 1968, and it exposes a level of pragmatism that disappoints those of us who have been proud of the health delivery system in Canada. I should like to be able to continue to point out, when I travel abroad, that Canada has a fine medical services system even though it needs improvement in a number of areas. We certainly are not leaders in the field when compared with some of the Scandinavian countries, but we have been proceeding in the right direction. I think this departure is something that the government will regret, Mr. Speaker.

[Mr. Leggatt.]

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Moose Jaw (Mr. Neil)—Government Administration—Government position on contribution to crop insurance fund; the hon. member for Winnipeg North (Mr. Orlikow)—Anti-Inflation Board—Reason for reducing amount of wage increase for University of Toronto library workers; the hon. member for Dartmouth-Halifax East (Mr. Forrestall)—Penitentiaries—Maximum security psychiatric institutions—Status of institution proposed for Dartmouth.

GOVERNMENT ORDERS

[*English*]

MEDICAL CARE ACT

AMENDMENT TO LIMIT ANNUAL INCREASE IN PER CAPITA COST OF INSURED SERVICES UNDER MEDICAL CARE PLANS

The House resumed, from Monday, February 2, consideration of the motion of Mr. Lalonde that Bill C-68, to amend the Medical Care Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

[*Translation*]

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I decided to rise on this bill because I think it may enable us to understand the illness gnawing at the economic health in Canada.

Mr. Speaker, Bill C-68 aims at controlling the annual per capita cost increase of services provides under the health insurance or the medical insurance plan. In short, Mr. Speaker, the government wants to ration medical services under the pretext that they are too expensive. It is not because Canadians do not need health care, but because this care costs too much. It is not because Canadians are all in good health, but once again because the services are too expensive.

Mr. Speaker, a proverb says that good health is the greatest of riches. But the government says: Good health is fine, but only if it is not too expensive. This, in effect, Mr. Speaker, is what the government is saying to Canadians by introducing a bill such as this one.

The Minister of National Health and Welfare (Mr. Lalonde) said so very clearly in a speech he gave on September 15 last before the Richelieu Club of Montreal, when he stated:

The expansion rates of certain services, including those of the health care industry, are now above our means.

Mr. Speaker, the government therefore feels that it cannot afford to allow medical care to develop according to the needs of the Canadian people. All those who have studied this bill are concerned because they know that financial restrictions in this area will automatically affect the quality and quantity of medical care needed by Canadians.

Indeed, Mr. Speaker, here is what Dr. Grisdale, chairman of the Canadian Medical Association, stated to the Minister of National Health and Welfare in a letter written on December 10 last. He wrote and I translate as follows: Must we now consider that the main priority of the medicare program is now financial and that in the future, the program will be modeled according to financial requirements of the time and not according to medical criteria?

Mr. Speaker, I am convinced that this fear is shared not only by doctors but also all Canadians, and yet the government thinks it will contribute to right the present economic situation with Bill C-68. It hopes that by cutting down the expenditures made in the area of medical care, it will solve the problems that paralyze the economy of this country. In fact, the main effet of this legislation could be to make the area of medical care as disorganized and as badly off as the economic area.

Again, Mr. Speaker, the government does not see the real problem. It does not see the primary cause of all present difficulties. Yet, that cause is as visible and obvious as an elephant in a living room. The real cause of present difficulties lies in the economic and financial system in which we live.

Until the government is prepared to reform the present system, it will be faced with an unsurmountable obstacle. It is not by reducing health services that the government will improve the economic system. Nor is it by controlling prices and salaries with an army of public servants paid $50,000 a year that the government will solve the problem of inflation. Nor is it, Mr. Speaker, by letting hundreds of businesses go bankrupt that the government will improve the situation. No, Mr. Speaker. If the government really wants to solve the problems upsetting our economy, it will have to come to grips with the roots of the illness—the monetary and financial system. Mr. Speaker, Social Crediters never hesitated to make their solutions known.

● (1650)

Ever since Social Crediters came to the House, the government never had any excuses for its lack of action. The government certainly realized that as long as there will be a gap between available production and the consumers' purchasing power, the economic system will remain wrong. The Social Crediters say that the purchasing power of the people should be increased so they can get the available goods and services, particularly health services and goods. Mr. Speaker, I mean available goods and services.

Indeed, no one would dare say that here, in Canada, we do not have the technical means to provide all Canadian citizens with first class medical care, according to everyone's needs. We have doctors, and on this subject, I would like to add something. We have doctors, but not everywhere. In the major areas, yes. But in areas like ours, no. We also have hospitals, as well as technology and drugs. What is missing, Mr. Speaker? As the minister said, we are short of money. It is not because of a shortage of doctors that the health minister wants to reduce medical care in Canada. The reason is not a lack of drugs either. It is just that he finds it too expensive. He believes that we cannot afford it. We could ask ourselves about the logic of such a reasoning. We have everything we need as far as competence, technology and drugs are concerned. However, we shall have to do without medical care. Why, Mr. Speaker? Because the minister tells us we do not have enough money.

The Social Crediters say that purchasing power, and availability of money must correspond to our physical capacity, our technical or physical means. A system in which we deprive people of medical care under the pretext that money is scare is absolutely ridiculous. However, this is what this minister proposes. He says that it is too expensive, that we have to restrain the extension of medical care even if doctors say that they could not give more care than they do now.

If we have the technical means and the doctors required to give a better service—and, as I said earlier, in some areas like larger centres there are doctors—the financial system should serve man and meet his needs according to our actual capacities and not our financial capacities. The Social Crediters want the financial system to be at the disposal of man and not the reverse. This makes the whole difference between the program of this government and the program of the Social Credit. This government does not want to change our financial system and prefers reduced medical care. They would rather attack the production system and drive companies to bankruptcy. And all this because it is too expensive for the financial system.

Mr. Speaker, I think that this government should consider seriously what Social Crediters have been proposing for several years. If the government changes the financial system it could solve the problems there are in that field and in the field of medical care. This problem is particularly acute in areas distant from larger centres. In fact, Mr. Speaker, it is very difficult for remote areas like Abitibi, Témiscamingue, Lac Saint-Jean, and the Gaspe Peninsula to get doctors. For instance, Mr. Speaker, I heard the

minister say some time ago that there was in our area in 1968 one physician for 769 inhabitants and now there is one for 586 inhabitants.

Mr. Speaker, I would very much like to know where the minister has taken his statistics when you find only three general practitioners in a constituency of 12,000 people such as mine. No wonder that their patients must wait 15 days or more to get an appointment. Here is the best example I can think of. About a month and a half ago I wanted to have one of my children examined. I had to wait a month and a half for an appointment.

This does not mean that the physicians do not do their utmost to help the people, but since there are only three of them for 12,000 people, they are simply overworked. The case I have just mentioned occurred at Chibougamau, in the constituency of Villeneuve; at Senneterre, there is one physician for 8,000 people and in Lebel-sur-Quévillon, two for 7,000 people. Then the minister tells us that he wants to reduce expenditures.

Mr. Speaker, how can a physician be expected to give good service under those conditions? The minister also said a while ago that they were afraid to train too many doctors.

I enjoyed the remark of the hon. member for Roberval: Is he really afraid there may be too many physicians or is he concerned because this would reduce their earnings? But in areas such as Lake St. John, Abitibi, Témiscamingue, Gaspesie and the North Shore, I am not worried, because doctors will always be able to make a good living.

Mr. Speaker, I can assure you that in my area we could do with more doctors, I do not mean one, two or three, but a dozen to take care of the people I have mentioned. It is said that this happens in farming and rural centres, and I agree. But why should rural centres have to put up with such a situation and have no medical care, particularly in the field of surgery?

Mr. Speaker, I realize the statistics are erroneous because specialists and doctors serving the people are lumped together and sent to the large centres instead of being helped to settle down in our areas.

As I said a while ago, it always boils down to a matter of money. If doctors could get an isolation bonus as some others do, I am convinced they would be willing to settle and practice in remote areas like ours. Unfortunately, because the government gives priority to money matters over medical problems, it refuses to act and solve that serious problem. It would rather reduce medical services and thus deprive the population of some services rather than alter the financial system.

The quality of the medical services Canadians are entitled to must not be lowered. As long as the government tries to solve the problems by cutting down medical services, those services will deteriorate and the situation will worsen. The government should roll up its sleeves and attack the real problems, the urgent problems such as that of reforming our economic system.

Mr. Speaker, a while ago I said that the government does not want to help—at least, it gives no indication of wanting to do so—remote populations such as ours. Bearing in mind the fact that remote areas are faced with very serious problems at this time with regard to the quality of medical services because of a shortage of doctors, and I am referring here to areas like Gaspé, northwest Quebec and Lake St. John, particularly the Chapais and Chibougamau areas. For several years, people in these areas have asked the minister concerned, either provincial or federal, whether it would be possible to provide those areas with doctors. The only answer they get is that this matter is within provincial jurisdiction. I agree that this is within provincial jurisdiction, but one could also ask, since the federal government is subsidizing programs within provincial jurisdiction, like the teaching of French, why the minister could not do the same regarding doctors. I believe that the whole population in my constituency, as well as the population in the constituency of Roberval and many others I am not aware of, would be enormously satisfied with the services they could get, and would be satisfied with the minister representing them today.

[*English*]

Mr. Gus MacFarlane (Hamilton Mountain): Mr. Speaker, it is important to address ourselves to the subject matter of this bill. The minister has always been concerned about the health and safety of Canadians: he places great emphasis on health. I suggest that this is not the time for sheer opposition for opposition's sake. I know that some hon. members opposite who are personally interested in the health of Canadians and in the extension of medicare to the most remote areas of Canada have made interesting and valuable contributions to this debate. However, a number of opposition members have lambasted the government for proposing to bring in ceilings on the rate of escalation which will be recognized under the medical care program for the next several years. These hon. members do so on the grounds that this will represent a destruction of the standards of service built up, the reversing of co-operative federalism and, on occasion, even the undermining of confederation.

● (1700)

I would like to comment on these charges. These are the same members who continually insist that we should reduce government spending. However, it seems that in this case, because of the horrors of the woods and the ghosts in the closet, this government must overexpend or go further to chase away the demons. Reasonably complete information is now available on the experience in the ten Canadian provinces from 1971-72, the first full fiscal year of participation of all the provinces in medicare, to 1974-75. While final data is not yet available for 1975-76, such data as is available is compatible with the experience for the previous years. During this period, by far the largest factor affecting the increase in per capita costs of physicians' services was the increase in the number of physicians per 1,000 injured persons, which increased at almost twice the rate of increases in fee schedules and rather more than three times the rate of the population growth or the normal growth in utilization per capita of physicians' services.

A year ago, at the request of and in collaboration with the provinces, the federal government closed the door on unrestricted immigration of physicians from abroad through the device of assigning zero points for physicians as a class and requiring that physicians, like any other occupational group, show evidence of need through a firm

job offer or other device from the province in which they intended to locate. This measure has given the provinces a great measure of control in determining how many and what type of physicians they are prepared to admit from abroad, and also in what localities to permit practice. This is certainly not taking away from the co-operation between the federal government and the provinces in giving the provinces good and almost complete control in the development of the physicians in their provinces.

We have evidence of a substantial decline in the immigration of physicians from abroad during the latter half of 1975, and undoubtedly this trend will continue throughout the years to come, although it is obvious that any province which feels it needs additional physicians is free to permit their entry. This substantially reduced immigration of physicians, which immigration, at times had exceeded 50 per cent of the total increase in the Canadian supply since medicare, should have a substantial moderating effect on the rate of cost increase of physicians' services from now on. Because of this, and in view of the fact that proposed ceilings are by no means out of line with the actual historical experience in recent years when there was no ceiling on the federal contribution, the ceilings should not cause any particular problems to provinces in relation to meeting the necessary costs of physicians' services. This is particularly so because of the superimposition of the federal anti-inflation program which not only limits the rate of increase indirectly in fee schedules and other forms of physician remuneration, but also should have an ameliorating effect on the cost of overheads on the one hand and cost to consumers on the other which figure in fee settlements.

Fears have been expressed that the proposed ceilings will reduce the quality of medical care, but there is absolutely no reason why this should occur. As a matter of fact, the ceilings proposed for medical care are not as unrealistic as some critics have alleged, since the allowable percentage increase proposed for the fiscal years 1976-77 through 1977-78 is actually greater than the increase experienced from fiscal year 1971-72 through 1974-75. The ceilings will actually permit continuation of the present high level of medical care and even reasonable increases in doctors' incomes.

I would remind hon. members opposite that the estimated reduction in the federal contribution to the provinces under the first year of the ceilings proposed under Bill C-68 would amount to less than 2 per cent of the provincial estimates received prior to the anti-inflation program and, consequently, may well turn out to be somewhat less than that. It may well be that the federal share will still equal 50 per cent of the program costs. In any event, many opposition speakers have taken a rather remarkable turn in advocating that instead of attempting to restrain the cost of physicians' services, and indirectly of hospital services, the federal government should forge ahead in cost-sharing any health expenditure that any province is currently making. This is, surely, one of the most bizarre suggestions that I have encountered, considering all the cries for cuts we have heard and all the promises to reduce budgets by billions and billions of dollars, when we all know that in this area we cannot reduce beyond the point of no return. Even when we put it in a way that gives this House some manner in which we would have some say, some manner in which we would be able to predict what might happen, members opposite cry for us to forge ahead in an irresponsible manner.

If taken literally, this would mean that the legislature of each individual province would have the prerogative of determining what taxes would be paid by the residents of every other province, since the federal government would be automatically drawn into cost-sharing any health expenditure that each province decided to make. This would be so even if the particular health expenditure was simply unique to the tastes of that particular province, whether it dovetailed in any way, shape or form with similar programs in other provinces, no matter whether it was available to all residents on uniform terms and conditions or whether it was something provided through subsidized private insurance arrangements on a restricted basis and with all sorts of deductibles or other limitations.

Quite obviously, only this Chamber can legislate taxes that apply to all Canadians or lay down conditions that will govern the payment of taxes by all Canadians. To follow this advice would not only be to create an open-ended program of totally unpredictable magnitude, but also to create a great, crazy patchwork quilt of arrangements in Canada with no guarantee of portability, interchangeability, accessibility or common cost experience which enable any type of sensible federal-provincial cost-sharing arrangement to be arrived at. As an alternative, we are proposing a logical extension of coverage, using the existing health insurance acts which guarantee universal accessibility, comprehensiveness, portability and non-profit administration within the areas which are determined. The government has already had numerous discussions with the provinces and determined those areas in which there is a high degree of consensus.

Advancing coverage in these areas will certainly maintain the national aspects of our program which are so essential for a mobile population. What is required is the firm commitment on the part of the provincial governments to adhere to the targets in respect of hospital, medical and other important services which they have outlined to departmental officials during the discussions that have occurred during the past year. With such commitments the federal government can foresee, to a large extent, its essential obligations. So can provinces whose costs are directly or indirectly influenced by the expenditures made by other provinces. If the federal-provincial partnership in health care, which in my view is so essential to Canada, is to survive there must be more than lip service paid on both sides to understanding and agreement as to the course which must be taken. This has not always been the case in the past, and I suggest that many of the sins have also been on the provincial side.

I sincerely hope that as a result of the renewed negotiations which we expect to occur in the near future, a more effective federal-provincial partnership will emerge which will safeguard the interests of the provinces and the federal government, as a result of which the health care system in Canada will make further progress to the advantage of all Canadians.

An hon. Member: Ha!

Mr. MacFarlane: And it is important to remember, rather than saying "Ha!" three times in a row, that this

minister has always given the program his highest priority and that with his kind of expertise it will be possible to say from this side of the House where we are going, and not where they think we should be.

● (1710)

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, the bill before us today is one which has to do, really, with the government's attempt to combat inflation. If hon. members opposite care to listen to my observations, I think they will hear something which may be of use to them. What we are considering is, in effect, a panic-stricken effort on the part of a government which is facing rolling inflation whose consequences are endangering many government programs as well as the private security and peace of mind of most of the people of Canada. I say at the outset that the government had better listen to speeches such as that made by the hon. member for Villeneuve (Mr. Caouette) and think about them carefully, because what the hon. member was saying today concerning the needs of his people is applicable to every riding in this country.

The subject has personal interest to me—a painful one, too. I attribute the major cause of my defeat in 1968 and of being turfed out of parliament for four years to this very issue, and even though I can say, personally, that I was innocent, someone got on the CBC about ten days before the election claiming to be a Conservative and said that if the Conservatives got in in 1968, medicare would be stopped. As a result, four or five Saskatchewan MPs went down the drain in that election. That is one of the issues which sent us down to defeat. There were others, of course. I mention this as a warning to hon. members on the other side of the House.

In almost every country in the world, whether it be socialist or relatively freely organized, as is our western world, the question of medical care is probably the most sensitive area with which parliament can deal. In the western world we were slow to embark upon social welfare legislation. As for the type of programs we brought forward, we had to rush into them and that is the only excuse for much of the stupidity which has gone on in this area in North America for the last 30 years in connection with social programs.

I am glad to see in the Chamber today a minister who once held the portfolio of National Health and Welfare; I refer to the Secretary of State for External Affairs (Mr. MacEachen). I think we would be a witness to the truth of much of what I have to say. Perhaps when I have finished members on the other side will recognize the need to put pressure on the government in order to free themselves from the narrow considerations which guide the building of policy by virtually all governments in Canada when it comes to the subject of health care.

The bill before us has been described by many people who understand its details far better than I do as amounting to an opting out on the part of the government from its own program. The reason given by the government, in justification, is a legitimate one in their peanut brain. They think it is a way in which to reduce costs. They are frightened by the tremendous increase in the cost of all these openended programs which now account for 80 per cent of the tremendous spending power of the federal government.

Some of us are old enough to remember the great enthusiasm in the United Kingdom during the war years when a nation sorely troubled by physical and economic dangers was fighting for survival. Some of us remember the excitement which went through the ranks of the troops as they heard announcements about "cradle to grave" social welfare programs which were being proposed at that time. They gave great hope not only to men and women in the services but to people in the civilian ranks of war. They encouraged a belief that a more equitable social order could be brought into being after the war. It was all going to be worth while.

I recall going back to Saskatchewan and witnessing the birth of the basic hospitalization plan—and I give full credit to the hon. member who now sits in this House on my left for being the father of that proposal. I believe he was aware that he was trying to get Saskatchewan to catch up with the western world by providing some form of egalitarian service in a field of vital interest to the people. I recall how the province of Saskatchewan undertook a statistical study in connection with the scheme, on the basis of which it was ascertained that out of every 1,000 people in the province, 66 received hospital treatment in the course of a year. Because the government was proposing to bring in a universal plan, it was thought likely that more people would take advantage of the plan, so in calculating the costs it was estimated that 100 people out of every 1,000 would go to hospital each year. If I am wrong as to any detail, I hope the House will pardon me, because I am trying to get an idea across.

Here was a government with great sincerity, and a firm sense of social purpose, trying to provide for the people of Saskatchewan no matter where they lived or how much they earned. They went into the legislation with honesty and sincerity. Yet within four years a great fear came over all of us who were watching the hospitalization scheme in Saskatchewan. I remember being called into a private meeting at which we were told about the rising costs of the scheme. An appeal was made to members in all parties to do our best to solve this problem of escalating costs in order to save the scheme. This was a private meeting. I recall a list of six causes of the overly large use of the plan. Within four years of the plan starting, instead of having an expected 100 per 1,000 going to the hospital each year, the figure was 326 per 1,000. At this rate of escalation, members of all parties knew the plan would be so expensive that it would put in great danger a scheme that everyone wanted.

● (1720)

The matter came up for debate in the house on a series of proposals to restrain and hold back these rising, openended costs. One unfortunate member of the legislature on the opposition side, in all sincerity reported to the House that in his municipality they once had a hospital fund, with so many mills on the tax bill to pay for it. When the people found out it was universal and that for the same number of mills everyone had free access to the hospital in the municipality, the number of people who decided to go the hospital was away above expectation, and as a result costs increased. They had to place a negative, deterrent fee

on each individual to bring back the cost of hospitalization roughly to what it was before.

If you can, Mr. Speaker, let your imagination visualize the scene. With roughly 50 members of the legislature, at least half of them, if not more, were trying to catch the Speaker's eye. They all wanted to say that this was not their view. My colleague from Nanaimo-Cowichan-The Islands will probably remember the scene. The Speaker gave the floor to the hon. member from Saskatoon, and he used a phrase that I will never forget. He said that he didn't care if he spent $1 million, he didn't want one sick person kept out of hospital in Saskatchewan. Up jumped the leader of the Liberal party, who said that the views expressed by the opposition member were not the views of the Liberal party. In due course an election came and that poor, unfortunate member was defeated.

I simply tell that story as a warning to members here. People want some form of universal medicare, unemployment insurance and accident insurance as part of the egalitarian movement in all countries of the world. Naturally we must be concerned about cost. This is why many of us have taken to wondering what positive way we can evolve to find a scheme that would take away none of the essential services, yet provide people with what they want. By this time some of us had access to figures relating to the United Kingdom scheme. The United Kingdom had brought in hospitalization and medicare with a great rush, without the infrastructure being present. The cost of the scheme had escalated 300 per cent to 400 per cent in the first two or three years. The question was whether all the people in the United Kingdom could afford these services, with the tremendous utilization of those services, with costs climbing at such a rapid pace.

Therefore, a number of us put forward a plan about which I will speak in a few minutes. This plan attempted to grapple with the problem of rising costs when you provide a needed service on a universal basis. Before I refer to this plan, I want to step ahead in time and say that the party that I belong to had come out for prepaid hospital services and prepaid medical services in Saskatchewan at our convention in Moose Jaw in 1936. When we formed the government in Ottawa in 1957 we started to look at the various proposals that we had and at the tremendous amount of detailed figures that were available. We agreed, as a government, to set up a royal commission which became known as the Hall commission. This was under the government of the right hon. member for Prince Albert (Mr. Diefenbaker). Having read and listened to a number of speeches in this debate, I get the impression that no member has gone back and examined the basic conclusions of the Hall report, as if it made no difference that it was the only definitive study in the history of Canada and that of other countries, including China and Russia, of such a medical scheme. Apparently no one wants to introduce that knowledge into the debate we are now having.

I would recommend that the views of people who were strongly for the principle of a universal medicare plan across this nation, as put forward in this report, should be remembered and that these views should be reread. They had in the back of their mind that they had to put forward a program that not only met the needs of the people but which also had a built-in control mechanism that would keep costs within the capacity of the economy to pay. For example, they recommended that proposals be brought in across Canada in a series of stages. The first of these was diagnostic services, which I think were estimated to cost about $5 per person. In other words, as you introduce medicare, you first of all provide clinics in every community, rural and urban, to which people could go, get diagnostic treatment, find out what is wrong with them and then get the proper type of service. That was the first proposal.

There were many others, Mr. Speaker, such as setting up a scheme for training nurses and doctors. Various levels of accommodation were provided for all kinds of illness in all parts of the country. If this were done step by step, you would avoid the mistakes that were made in the United Kingdom. In addition, the commission had the benefit of the Saskatchewan situation. I am not quarreling with the sincerity of any member of a party in this House who has a common desire for a universal hospitalization scheme, prepaid medicare, and so on. I am simply saying that the time has now come to direct our thinking into what is going to destroy this scheme. I contend that what will destroy these open-ended schemes of ours is our failure to get at the driving motives of the people themselves.

As you listen to me, Mr. Speaker, I am sure you are thinking that the principle of universality creates a demand factor many times greater than any ordinary planning would consider normal. That is true. We see it today with unemployment insurance. At least half of those drawing unemployment insurance have discovered the technique of beating the act, and they are professionals at it. Yet every one of us here wants this security; we want to know that unemployment insurance is available if we become unemployed. How, then, do we provide the incentive not to abuse this type of open-ended legislation? Even though I am dealing here primarily with medicare, we have to look at the picture in its whole perspective. I am not going to go through all the recommendations contained in the Hall commission report. I am suggesting that the people whom I know are interested in saving these schemes look at the recommendations in that report to see whether, even at this late date, there is not something of value left.

● (1730)

I know time has passed on. We ignored the whole recommendation and plunged ahead with medicare. By means of this bill we are now trying to fight our way financially out of the situation. I suppose that a reading of the whole report would be redundant, but at least in doing so we would have an idea of the practical changes suggested at that time that would have avoided what we are presently facing. So I now come back to the second proposal put forward by the Diefenbaker government, which has largely been ignored by the economic historians. Certainly it has been ignored in this field of social services. My colleague, the hon. member for Prince Edward-Hastings (Mr. Hees), knows about this proposal.

Some of us who wanted to save these schemes and make sure they would work and would be schemes that we could afford, proposed a package which would include hospitalization, medical care, unemployment insurance and, yes, accident insurance—that must come. We would pay into

those schemes as we normally do, obviously on a reasonable actuarial basis. A certain amount of each payment would be set aside in what we would call the social fund to look after those who are chronically ill, chronically unemployed, or unable to cope with their social responsibility. The remainder would be placed in an individual fund for each individual.

If at the end of a worker's life, using the ages 20 to 65, the worker had not been unemployed too often, was not in hospital too often, was not sick too often but had just the normal amount, the excess of his payments into this fund, with interest applied at the normal rate, could be added, when he retired at any age he liked, to his old age pension. At that time it was calculated on the basis of 1958 figures. The calculation was that if a person was sick the average amount, unemployed the average amount, and had the average number of accidents, he could add $125 to his old age pension, which was then receivable at age 65. The amount added would be for the normal 60 per cent or 80 per cent of us who are not sick chronically. This would act as an incentive for people not to be coaxed into hospital or coaxed into a doctor's office too often. We know the percentage of people who use these schemes.

I recall the hon. member for Prince Edward-Hastings speaking on that proposal. I also spoke on it. All the people to whom we spoke about it were enthused. They said they would respond to such a proposal.

I for one am sorry that 12 or 13 years later nothing has been done. Here we are in this House facing the penalty for nothing having been done. If one would take a chart showing the amount of money spent in the last 15 years on these open-ended statutory items such as medicare, one would see the growing upward curve and one would understand what is terrifying the Treasury Board and the men who look at the finances of the nation. That is why the government says that we cannot cut government expenses, or that all that is left for us to cut is 20 per cent because the other 80 per cent is fixed.

I shall make a statement which I may not be able to qualify quantitatively. However, I suggest that on unemployment insurance, hospitalization, and medicare, without taking away a single necessary service to people needing them, the cost could be reduced on this type of package proposal by between 50 per cent and 60 per cent because what we have in this proposal is an individual incentive not to abuse this universal program. We would not get into the situation we are in now of having a negative deterrent.

In Saskatchewan when the hospitalization costs rose a new government was elected under the premiership of Mr. Thatcher. He put in a negative deterrent. I believe it was a few cents, or perhaps $1.50 or something of that nature, that was charged when a person went for a service. When we look at that individual negative deterrent introduced by the Liberal government of Saskatchewan we see that it was the sick person who suffered. That government was defeated. That was part of the reason for its defeat.

I give this warning to the government. I know that the members of the government have abdicated their responsibility as politicians and representatives of the people, and have turned the question over to the mandarins in the civil service. When the mandarins say "jump", members of the government do not say "which way", but rather "how high?" In effect the mandarins are not told that, for survival purposes, in the mix the government would like them to consider some sort of proposal like this.

I know the figures I quoted for 1958 are many years obsolete. I also know that if you take the rate we calculated in 1958, together with the present figures, and take unemployment insurance which I think was 36 cents and is now $3.30, almost ten times higher, I would think at age 65 a worker would have $400 or $500 to add to his pension if those figures were interpolated forward. I do not have the machinery to do this calculation.

I would say to the government, particularly to its members who have backgrounds in this House before 1972, that they should remember the past, and that if they want to be reminded of the past there is a book written by an ex-cabinet minister by the name of Miss LaMarsh, called "A Bird in a Gilded Cage". I suggest they read this book written by the ex-minister of health and social welfare and see how she started out with great sincerity and idealism to bring in programs such as medicare, and then see what happened to her and who ran the show. They should read that history again and read who it was in the cabinet at that time who opposed medicare. Where are they today?

I ask this House not to forget the simple elementary rule that any nation that does not learn from its mistakes of the past has no future. This is the truth I am trying to put forward. We have made horrible blunders, and not with any lack of sincerity. Perhaps we thought we would win an election or two by using these things as promises. I say we must not let this program be endangered by the type of negative deterrent this bill represents. It is not an individual negative deterrent but rather the worst deterrent of all.

The provinces were pushed into this scheme in a brutal manner in 1968 with no controls on their expenditures, then a ceiling was put on, the government backed off, and when there is a problem in respect of hospitalization it will back off further. Before you back off and throw the load on to the provinces who have to face people because it is their responsibility, give a thought to alternative proposals which are constructive, I believe, which are worthy of consideration, and which get away from these negative deterrents.

● (1740)

In speaking on second reading of this bill I should like to say that those of us who are conscious that progress continues at different speeds at different times should realize that we should not be ashamed as members of legislatures and members of parliament of the progress we have made in the last 30 years. The progress we have made should not be endangered by our refusal to challenge the orthodox economics of people who can only think in terms of restrictions and negative controls. The human mind can produce ideas that can harness the positive and the good in people, and I think that the great majority of people in any nation—60 per cent or 80 per cent, I do not know—will respond to positive individual incentive to get these programs to work and to stay within their economic capacity.

The only person who has reason to fear it is a person who is so tied up with the idea that he wants the maximum pension when he quits work at the age of 65 that he would

rather die first than lose a nickel. You have to be pretty far gone to have that kind of philosophy. That is the only effective argument that can be used, but a great deal of work has to be done in doing the arithmetic. I think that all parties would support the government in that type of positive approach because these schemes, which the great majority of Canadian people want and accept as fundamental rights, will be destroyed if you let escalating costs climb and climb. You cannot nibble off 2 per cent savings here and 2 per cent there and save them.

When you re-read the speech of the hon. member for Villeneuve (Mr. Caouette) speaking for his 12,000 people in the bush in Quebec, you will realize that he is speaking for 22 million people across this country. This is how they will judge us if we allow this type of shortsighted, negative restrictions to be put through under this bill.

As I said earlier, I have a personal interest in this because of my own political defeats, and I warn hon. members that no matter how popular they may think they are in their ridings, if they touch the fundamental needs of their people they will not last very long.

Mr. Lalonde: You are worried about the province of Ontario.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I am worried about every provincial government which was forced into this scheme and which is criticized the same as is this government here. They have the same pyramidal civil servants who want to continue these programs in their own way. They are aware of other alternatives, and yet they do not support the ministers who do not speak for the people any more. Until we can impose our will on mandarins in the civil service who have these ideas, the end result will be that not only these programs are endangered but the very individual existence of members of parliament and cabinet ministers will be endangered.

No man is in greater danger in the cabinet than the Minister of National Health and Welfare (Mr. Lalonde) is today. He is bound to his civil service on matters of family allowances which he brought into the House, and he is bound to his civil servants with regard to this type of negative deterrent. But he thinks he will ride along forever. However, people have a way of catching up with these great men, and putting them on their knees to be humble again. All I can suggest is that when the term of the government is over, some of its members will remember that they were warned.

I should like to conclude by saying that no Canadian knowing the social history of this country, knowing the needs of the people, and knowing that inflation is not being fought with this type of measure—inflation is fought by attacking the basic causes of inflation, and the anti-inflation Bill C-73 which we put through does not fight it—will respond in a positive way.

You have to get at the fundamental costs and there must be a control mechanism in the universal plan. The control mechanism must be an individual one under which the individual citizen and the whole country benefit from controlling the plan, and then the great majority of the people will respond. If we are to save these plans, this is what I think the course will be. I hope that the government will take a look at this type of thinking, and then it will receive the support of all members of the House.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I appreciate the opportunity of filling in the time until the dinner break, and perhaps beyond it. The reason I wish to take part in this debate is that I have been a member of the House for some time, and when the minister presented the bill it raised some revulsion within me for the simple reason that I thought we were being asked to second-guess ourselves. I imagine that will be my principal point in this debate.

Over the years one is asked to judge on many particular points of legislation, to make an assessment of what the government does. In this case I can remember being asked to give my approval or my opinion as to whether we should have medicare legislation, which is now being implemented in this country. Before that I can remember fighting on the hustings for what I believe is the right of every Canadian, the right to the best health care possible.

When forced to look back at those days I cannot even recall what the arguments against were, because I think we had all made our points so well about ten years ago in the House that there should be proper medical care for Canadians and no persons should be ever allowed to suffer or forced to have every last thing they saved in their lives taken away because of illness. I believe that. I stand up here tonight almost in a state of bewilderment as to why there should be any restriction on that sort of thing because I really believe no one in this Chamber should ever have to go through the humiliation of having to sell everything, or try to sell everything he has in life to maintain his health.

● (1750)

There may be very few things we start with which will give us some kind of break in life, but I should like to think that we all started out from the gate with at least the right to health. I think that has to be important to the Canadian way of life. I know that each and every hon. member of the House who is listening to me will agree that there are things we can fall by the wayside on, but on health, no. We should be given a reasonably decent environment and a reasonably decent assurance that we do not have to fall by the wayside on health.

I am bothered because I thought we had decided, and decided well, that irrespective of party and the like, we had fought that battle, and it was over with. I really think this is a mistake which will haunt us for a long time. Suddenly we start to preach restraint, and this and that. If this is virtue, it should have been drilled into this House ten or 20 years ago, not now. This should not be happening at the last moment in some strange shape and form.

I object to this bill for that reason alone, but I also object to it for other reasons. I will present them as best I can, and then sit down at six o'clock. My first objection is that we made a statement in principle years ago, and now something has happened so that we are supposed somehow to negate, obliterate or water down the principle we adopted.

I suppose because doctors form a very successful part of the community they must somehow be singled out for what

they get out of medicare. That is wrong. I think doctors perform well in today's society, and I say that because I come from a community where there is one of the leading medical schools in the world, but there are also many people who have given themselves to the medical arts.

I suppose I should declare a certain self-interest at this moment. I have an uncle who was at one time the president of the Nova Scotia Medical Society. I have a son-in-law whose life's work is to try to cure cancer. He is a physicist. I now have that out of the way. Those two people are well able to look after themselves, so I do not have to go to bat for them anywhere in the land. However, their work is important.

I am informed by people in whose advice I believe that the cost of physicians' services as a percentage compared to the total federal expenditure has decreased from 3.9 per cent in 1971-72 to a possible or projected 2.9 per cent in 1975-76. This in itself would be a reason to say that the Minister of National Health and Welfare (Mr. Lalonde) has not proven his case beyond a reasonable doubt. In fact, he has not proved it at all, and he will have to do so before I accept the suggestion that what he is trying to do with Bill C-68 is popular, necessary or essential.

I say that doctors are underpaid, and I am not a doctor myself so I can make the statement perhaps much easier than almost anybody else in this Chamber who is not a doctor. However, I realize that some of the doctors here support me in that statement. As a matter of fact I think I have the acclamation of my good friend the Minister of National Health and Welfare, and he probably would stand up and say that yes, doctors indeed are underpaid.

Mr. Paproski: He better or he won't get their votes next time.

Mr. McCleave: Perhaps he does not need their votes, but he needs a certain amount of credibility in the community, and I suspect he will have to scout and fish for a long time before he finds it. I do not want to see doctors made some kind of whipping boys in this age when people are very concerned about prices and about how much their dollar is able to do for them. I think it would be invidious if we took doctors and made them whipping boys.

The final point I wish to make is one I made years ago on many occasions. I think we should treasure our intellectual resources. We should be happy to promote our universities, those who will be students and those who will be adding something in order to advance us in the field of scholarship, and if we take Bill C-68 at the value which the Minister of National Health and Welfare places on it and accept it, we would be taking steps backward and not forward. That would hurt us in every way, shape and form in our desire to have Canadians better cared for. I think it would be a step back, and not only a short step back but a long one.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Turner): It being six o'clock, I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

[Mr. McCleave.]

AFTER RECESS

The House resumed at 8 p.m.

Mr. Andrew Brewin (Greenwood): Madam Speaker, I do not often intervene in debates on medical health. There are others more qualified and experienced in this field. I do believe, however, that this is one of the most important pieces of legislation to come before this parliament. It affects very many of my present constituents, it will affect more in the future, and many more who will be living in my constituency when I am no longer around. For that reason I am glad to contribute to the debate on Bill C-68 which is to amend the Medical Care Act.

The reasons for our position on the bill are well known. To begin with it embodies cuts in health care. If there is one field in which economies may well turn out to be short-sighted and counterproductive, it is this field of health care. The Health of the people of Canada is obviously one of Canada's greatest assets, and any so-called economies that have the effect of depriving Canadians of health care services would be a false economy indeed.

There was a time when the Liberal party proudly acclaimed as one of its contributions to the nation the legislation by which parliament assumed 50 per cent of all insured services provided under the agreement. In addition, the federal government contributed roughly 50 per cent to hospital and diagnostic services. These measures were and are important to hundreds of thousands of Canadians. They were, of course, pioneered by the CCF in the province of Saskatchewan, but the Liberals boasted—and I think perhaps justifiably—that it was their legislation that provided the means of procuring a decent standard of health care for all Canadians from Bonavista to Vancouver Island. This symbol, and it was more than a symbol, of Canadian unity will be shattered by Bill C-68 which we are asked to approve.

The 50 per cent rule is to be replaced by maximum contributions in the federal field and diminishing contributions in percentage amounts. The effect can only be to impose heavier burdens on the poorer provinces and deprive some of the citizens of those provinces of medical services that are urgently required.

● (2010)

In the budget of last June the then minister of finance gave notice of the eventual termination of federal contributions to hospital and diagnostic services. I know that these services are not covered by the bill we are discussing, but are related to it. This bill shows how the wind is blowing. It gives notice of the threat hanging over the heads of the provinces, even if some new agreement is eventually negotiated. The minister's announcement was made eight months ago and I understand there have been no negotiations with the provinces to replace the former agreement.

That raises the subject of health care programs to which the federal government makes no contribution by means of cost sharing. I am referring to programs like pharmacare, home care, and programs for supplying medical appliances. Their cost to the provinces is about $1.5 billion, and will rise to $2 billion. We hope the federal governement will negotiate cost-sharing agreements with the provinces and

assume some responsibility for these programs. I ask, when is this to happen?

Negotiations on new methods of cost-sharing have been under way for years. In 1971, the Department of National Health and Welfare proposed a new arrangement for sharing medical and hospital expenses. Basically the proposal was that the federal contribution would be based on the amount payable in a base year, and increased according to percentage changes in the gross national product on a per capita basis. A joint study by the provinces showed that most would experience a serious shortfall in revenues under this proposal and subsequent modifications.

In January, 1975, the federal government again tried to obtain agreement on a new formula for cost-sharing. None was reached. Instead, at the urging of the provinces, a committee was established to study the inclusion of other health services under cost sharing. The work of this committee was sabotaged by the June budget and the limits placed on federal contributions in Bill C-68.

The provinces boycotted a proposed meeting of federal and provincial officials in Victoria, in August. I understand that the minister toured the provinces in September, in hopes of getting the provincial ministers back to the negotiating table in January or February. The minister recently told us that there is to be a federal-provincial conference in April, but did not say what would be discussed. I want his assurance that he will discuss a plan to replace the cost-sharing agreement affecting hospitals and as cost-sharing arrangements for programs at present borne entirely by the provinces.

Why is this legislation necessary if medical service costs and doctors' fees are major items of cost? Is the government not confident with its own anti-inflation policies? I understand that the Manitoba Medical Association agreed to keep fee increases within guideline limits, on the assumption other medical costs would be effectively restrained. I understand that the minister said the government would take into account provincial legislation to enforce the wearing of automobile seatbelts, which would minimize the number of injuries, and other, similar cost saving measures. I think Manitoba and Ontario have already enacted seatbelt legislation. How will that change the minister's plans?

Clearly it is desirable to cut costs where possible. But there is a danger of cutting them at the wrong places, at the expense of the old, the ill, and others who need medical and special preventive services access to which should be a matter of right.

I submit that this legislation is backward, regressive, and turns away from sound principles which the federal government and the Liberal party adopted. I hope parliament will review it at a serious conference with the provinces, after which a better scheme could be worked out.

It is not my job at this stage to discuss savings which can be made in federal expenditures. I am firmly convinced that savings which deprive Canadians of the best health services available are false economy, wrong, and often cruel. I therefore urge parliament to reject this measure.

Mr. Ross Milne (Peel-Dufferin-Simcoe): Madam Speaker, may I reply to an argument raised by several hon. members opposite, particularly by the previous speaker, that this bill represents an arbitrary, unilateral decision by the federal government, a decision reached without consultation with the provinces.

I submit that negotiations regarding the revision of health insurance legislation and federal-provincial cost-sharing have been going on with the provinces more or less continuously for about five years, since 1970.

The provinces have been long aware that the federal government deemed it necessary to place some sort of restriction on the open-endedness of our health program. Indeed a number of provinces indicated that they were in favour of such a course, as they had found it difficult to meet their part of their financial obligations. This became increasingly evident during the last two years when, as mentioned, costs of hospital insurance rose almost 45 per cent over the previous level. The urgent economic situation which led to many stringent measures in the June budget and which, incidentally, had an impact far beyond the health field, forced the federal government to take action at that point in time. It is true that the provinces were not apprised of the specific budget measures prior to their announcement in this House but, as hon. members know full well, it is customary not to divulge specific budget provisions prior to their presentation in the House of Commons.

There were two measures in the budget which had to do with our health insurance programs. The first gave five years notice of the federal government's intention to terminate existing agreements under the Hospital Insurance and Diagnostic Services Act after the conclusion of the five-year notice period, in 1980. The second placed a ceiling on the rate of escalation of the medical care program which would be accepted for sharing purposes during the next several years. I stress that the measure placed a ceiling on the rate of escalation. It constitutes neither a cutting back nor a freezing of the program. It seeks to control the rate of escalation of costs incurred in the medical care program.

I am sure most provincial ministers were not surprised at the serving of notice under the Hospital Insurance and Diagnostic Services Act. It had become apparent from discussions of the last several years that this program could not remain open-ended. Indeed several provinces had suggested possible approaches to capping it. It must be noted, however, that the Hospital Insurance and Diagnostic Services Act and regulations can only be changed by mutual agreement, and any one province could block the incorporation of changes favoured by the remainder.

● (2020)

Although theoretically the present agreements could be amended without notice being served, it would be unrealistic to expect unanimous consent by the federal and provincial governments. With notice served on the present agreements, an up-to-date act, taking into account all the tremendous changes which have occurred in the health care picture in Canada during the 23 years that will then have intervened between the passage of the act and its replacement, will certainly follow.

There was really very little reaction from the provinces about serving notice under the Hospital Insurance Act. No question. There was a rather stronger reaction to the announcement of the ceilings on the Medical Care Act, but

this has become much less pronounced since the anti-inflation program was implemented. The provinces had certainly been aware from the negotiations preceding the budget announcement that a commitment on their part to restrict higher cost services, both hospital and medical, at least in relative terms, as the population grew would be a clear condition of the federal government's sharing in any additional areas. In fact the resumed discussions which had begun in January, 1975, were based upon a provincial offer to consider restraining growth of the high cost areas in return for additional federal sharing in lower cost areas.

I believe that the provisions of Bill C-68, as amended, are consistent with the principles agreed to at the January, 1975, conference of health ministers and indeed should facilitate negotiations that were anticipated at that time. Progress in the negotiations to the point of the budget announcement was such as to indicate that the provinces were committed to the principle of restraining the growth in high cost services and determined to inaugurate lower cost but equally effective programs and services where possible.

I should also say that the amendments which have been introduced at second reading stage were a product of direct consultation with the provincial ministers. In that sense the charge that the bill represents a unilateral decision of the federal government is a misstatement. The new amendments provide the mechanism for renewed negotiations whereby new insured services can be shared under the Medical Care Act and not be subject to the ceilings for a period of at least three years. The federal government has taken the necessary positive steps to ensure that any agreements reached with the provinces on the basis of the agreed principles can be brought into being.

Rarely in the history of our confederation have the provinces acted in unison. To suggest that the federal government should only act when all ten provinces can agree, in effect suggests that nothing should ever be done. Over the past few years individual provinces themselves have often acted unilaterally, for example, in wage and fee schedule negotiations or in introduction of new programs to the detriment of other provinces. Frequently we have seen wealthier provinces, such as British Columbia or Ontario, make wage settlements with health workers which severely imperilled other provinces, particularly the poorer ones, because of the resulting increased pressure for wage parity or equal benefits.

Once a precedent is set the domino effect carries it across the country, particularly in a highly-structured hierarchical-type system such as the hospital field. Such decisions are generally made without regard for the economic impact, either on other jurisdictions or on the country as a whole. One need only recall recent statements by the premier of Saskatchewan who has stated that his province will opt out of the federal anti-inflation program partly because it wishes to re-establish parity with nurses' salaries in neighbouring provinces. I am not condemning his approach because he is in a difficult position, but surely any measure which the federal government can take which discourages or slows down the leap-frogging or whip-sawing effect of wage, salary or fee negotiations between provinces can only be to the benefit of us all.

[Mr. Milne.]

In conclusion, I listened with great care and interest to the excellent speech this afternoon by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton). He made some excellent points. I want to assure him and others opposite that neither myself nor the government have changed our commitment in any way to universal health care, nor lessened our concern for high level health care for all Canadians. It would not be responsible financing if we did not look at the escalating costs. Surely in the delivery system we should be able to effect some new efficiencies. If we can deliver the same level of health care for less cost, in the future it will be possible to deliver even more health care for those dollars.

Mr. John Wise (Elgin): Mr. Speaker, let me say at the outset that it is indeed a pleasure for me to address the House this evening on such an important topic as the Medical Care Act. No doubt some of what I have to say will be in conflict with the previous speaker. Perhaps that is understandable. I wish to state that it is good to see the Minister of National Health and Welfare (Mr. Lalonde) in the House throughout this debate.

I must admit to finding myself in somewhat of a difficult position due to the quality of that most comprehensive address delivered by my colleague, the hon. member for Athabasca (Mr. Yewchuk), in this very House on Wednesday, January 28. He covered the ground concerning Bill C-68 so extensively that there is not really a lot more to be said without becoming somewhat repetitive. However, I do feel that there are some key points concerning this bill that do bear repeating, and perhaps the odd argument that has not been previously brought to light.

First, we must consider the shameful and shabby manner in which the federal government has chosen to treat the ten provincial governments. It is hardly news that the federal government has made a unilateral and arbitrary decision to draft and present this legislation which so affects the provinces. It is hardly news that provincially related legislation is prepared with next to no negotiation with those most concerned. It is not news, of course, because this kind of action is standard practice for the government. What we see here is simply another tiresome and increasingly frightening example of the heavy handed approach of the government in its dealings with the provinces, with this House, and with the people of Canada.

We first heard that there would be negotiations with the provinces. There have been none—talk, yes; negotiations, no. It is just not possible that real negotiations could have taken place. The ten provinces are all dead set against this legislation, and are most upset that they have not had a say in its formation.

We now hear that there have been and will continue to be consultations between the two levels of government. At least that is the present posture of the federal minister. If consultations mean calling together all interested parties and then proceeding to tell them what is to be done despite their unanimous opposition, then I suppose there have been consultations. I have no doubt that future consultations on the further ways and means of operating this legislation will be conducted in the same manner.

The provinces no longer trust the federal government. This is a most serious situation in a country like Canada whose very existence depends on a system of co-operative federalism. The House has seen ample evidence of the opposition of the provinces to this bill. Statements have been entered into the record from nearly all provincial ministers of health at one time or another during this debate. I do not propose to quote them further at this time. We have all heard them, and the obvious question still lingers; in the face of such unanimous opposition, why is this bill still before us now? Why has the government not taken the honourable course and withdrawn Bill C-68?

The federal government will no doubt say that it is an attempt to cut government spending, and that health care has become too expensive. That is a sham argument, and we all know it. I will have more to say later on the relative costs of health care. But, regardless of costs, the bills still have to be paid, and if not federally then provincially, and if not there, then where? By the ordinary people of Canada, of course.

● (2030)

Before I continue further, Mr. Speaker, I would like to make one point abundantly clear. I do not stand against the reduction of federal government spending. On the contrary, I am very much for it. What I am against is the prevailing approach of the government, an approach which is sweeping and indiscriminate in nature, and which in this particular case is succeeding only in transferring the financial load to the already overburdened backs of others. It represents, as well, another example of the government choosing to cut back in the wrong area of expenditure. The government is lackadaisical in its approach, thus failing to get to the heart of its spending difficulties. There are several other areas of government expense which could be cut back drastically without causing harm to the provinces or to the general health of Canadians. The singling out of the medicare program by the imposition of spending ceilings is a truly incredible piece of folly.

I do not propose to become embroiled in a debate over general government spending practice at this time, Mr. Speaker. That is reserved for another occasion. For the edification of members opposite, however, I might refer them to the recent report of the Canadian Chamber of Commerce on this very subject. It contains a wealth of worth-while advice on this subject which the government would be wise to accept.

Allow me to return briefly to an earlier statement—that the provinces no longer trust the federal government. Why should they, for they have been cheated? The very presence of Bill C-68 before us is a clear indication of that. Ordinarily I do not like to use such strong language in the House. In this particular instance, however, there is no way round it. The provinces have been cheated, and even as I say it I have an uneasy feeling that the real sting has yet to come.

The provinces were dragged into medicare against their collective wishes, even though assured that the federal authority would pay its way. They were led down the garden path, so to speak, and are now faced with the unhappy though not altogether surprising prospect of having the rug pulled out from under them. One cannot help but wonder just how far the Liberal government would really like to go on this matter. Is this just the first step to an eventual opting out of the program altogether? Some provinces fear this may be the case and, if it is, then it is the duty of the minister to tell us so right now.

The government is guilty of yet another transgression. I refer to the publicity surrounding Bill C-68. Press reports about this legislation and projected costs in the last budget speech have misled the public by combining medicare and health insurance costs and then picking out the medicare program for specific action. The inference is that increased medical care insurance costs are the major factor in escalating health care costs. This is clearly not the case, and the government is fully aware of it. The proportion of our gross national product spent on medical services in Canada has in fact declined from 1.3 per cent in 1971-72 to 1.1 per cent in the 1975-76 forecasts. The average annual payment increase incurred by the federal government is less than 12 per cent, well below the average yearly increases in over-all federal spending.

It should be noted, Mr. Speaker, that opposition to Bill C-68 is not restricted to the provincial governments, but that such groups as the Canadian Medical Association and the ten provincial medical associations stand firmly against it. The Canadian Medical Association takes the justifiable position that these arbitrary budget controls will produce definite hazards for Canada's health care delivery system. They state that the budget controls will have the effect of restricting the availability of health care to the point at which it would have to be rationed. Obviously such an action could endanger the quality of medical services available to Canadians.

In a letter to the minister, a letter which has apparently been ignored, Dr. L. C. Grisdale, President of the Canadian Medical Association, says:

> The permanent cost increase ceilings proposed will result in the rationing of medical care; the cost increase ceilings will inhibit, if not prohibit, the introduction of new medical procedures and make it impossible for them to be made available to all Canadians who would benefit from them. This will be particularly true for those Canadians who live in less wealthy provinces—frequently those areas where improvements in the health care delivery system are most needed.
>
> The effect on the 'have-not' provinces is particularly significant. Since the introduction of medicare, these provinces with less developed health care systems have benefited from the federal-provincial cost sharing formula. The imposition of a ceiling on federal contributions will deprive these less wealthy provinces of further opportunity to improve the level of medical services in their communities. It will be impossible to evolve a uniform program of equitable availability and quality.

As has been noted previously by many of my colleagues, the CMA resents the sledgehammer approach of the government. Surely the Minister of National Health and Welfare is aware that increases in medical costs have been less, on a percentage basis, than have increases in most other areas.

Let us examine more closely some of the figures involved. The increase per capita of medical care costs in Canada from 1971 to 1972 averaged 6.9 per cent. At the same time the average increase per capita of the gross national product at market price was 12.8 per cent. The consumer price index during the same period rose 7.9 per cent, while average weekly wages and salaries in the industrial sector rose by about 8.5 per cent. Obviously,

then, the increases in per capita medicare costs have been lower than in most key areas of the economy.

The medical profession has exercised restraint in the setting of its own fee structure over the past several years. Indeed they have been one of the few organized groups to act in such a responsible manner. Over the past five years Ontario physicians co-operated with the Prices and Incomes Commission and held 1971 fee increases to 4.5 per cent. At their own expense they commissioned a study of the medical profession in Ontario in order to enhance its functioning. Also, an increase in the fee schedule, expected by the members, was deferred at that time.

One of the recommendations of this study was that changes in fee schedules be negotiated with the provincial government. This has been done, and in the face of inflation extremely modest increases of 7.75 per cent for 1974 and a meagre 4 per cent for 1975 have been accepted. Yet this group, undoubtedly eligible for catch-up, is now being dealt with more harshly than the average group of working Canadians. Unlike wage and price controls, which one assumes to be temporary, the income restrictions inherent in Bill C-68 will last as long as the bill is in effect. To think otherwise would be to distort the realities of the situation.

A letter I received from the Canadian Medical Association states:

> There is as well a further reason why we are opposed to Bill C-68. Its very introduction infers an untruth, i.e. that it is necessary to control unwarranted increases in the costs of medical care. In fact, such increases have been modest, particularly when they are compared with increases in other component parts of the total health care bill. Is it ethically defensible to introduce legislation which could well inhibit the introduction of new life-saving but costly medical procedures?

That is a question to which we on this side of the House have been giving serious consideration. It is a question which merits a more serious response from government members opposite. Elsewhere in the same letter the Association's support of worth-while provincial programs is expressed, as is its concern for the quality of health care delivery. Allow me to read one brief but significant paragraph:

● (2040)

> We have encouraged the provincial government in its support of nursing homes as an alternative to hospital bed care. We have encouraged our provincial government in its experimentation with different methods of paying for medical care, including new methods of organizing groups of physicians and paramedical personnel to determine efficient patterns of payment and of practice. If some of these patterns prove to combine efficiency with good quality care, we will be the first to promote them with our members. Surely, the reduction of moneys available can have no other result than to endanger quality, by imposing untried methods of health care delivery just because they are cheaper.

As we are all aware, Madam Speaker, there still exists a critical shortage of doctors in this country. Many rural areas and out of the way communities do not have a general practitioner to care properly for the sick and otherwise attend those in need of medical attention. Citizens of these unfortunate areas are often forced to travel many miles to find competent medical treatment, often at times when it is inadvisable for them to do so.

Yet in the face of truths such as these the government does not take adequate steps to encourage more needed young people to enter the medical profession. In fact just the opposite now appears to be true. Bill C-68 will certainly do nothing to encourage the practice of medicine as a career. It will likely accomplish just the opposite. Shortages will probably increase, service will no doubt decline, and valuable research will go undone. The health of many Canadians may soon be seriously affected. I hope that the government is prepared to accept this responsibility.

[Mr. Wise.]

It is not often that I cannot see at least some redeeming aspects to a piece of legislation brought in by the government, but there is no redeeming aspect to Bill C-68. The bill is totally without merit, and in my opinion serious consideration should be given to its withdrawal.

[*Translation*]

Hon. Marcel Lambert (Edmonton West): Madam Speaker, on January 28, the Minister of National Health and Welfare (Mr. Lalonde) made a rather detailed and I think precise statement on the history of medical care in Canada. But although some of my colleagues and some members on the government side made a few remarks on parts of the minister's statement, I think that until now all members have failed to discuss it. Since I have in hand the English version of the minister's speech, I shall read it in English and continue my remarks in that language, because all the reports I have here are in English and despite all my efforts, I think the translation would suffer.

[*English*]

The minister spoke frankly on a subject that has elicited a great deal of comment, a lot of it emotional, by people who, if they would only admit it—at times I might even put myself in this category—were not sure of their facts. I have tried to be as careful as possible in dealing with this subject to eliminate what I consider has always been a danger in many speeches made in this House, and that is gut emotionalism which does not always resolve questions at issue.

I should like to refer to something the minister said as reported at page 10407 of *Hansard*. He was discussing the doctor-to-patient ratio. He said:

> In 1968 the doctor-population ratio was 1:769. By 1974 this ratio had become one doctor to 586 inhabitants.

He took some satisfaction on behalf of the medical services plan from the fact that this had surpassed the ratio of one doctor per 650 population that the 1964 Hall Commission on Health Services had set as its goal in 1991. The minister went on to say this, and I must confess my absolute astonishment at the naiveté that has been displayed by the minister and his senior advisers in accepting this reaction:

> In fact, at the moment there is concern among some people—including doctors themselves—that we might be heading towards a surplus of doctors. In fact, we may have reached or surpassed that point already in some specialties. Governments themselves have become concerned about the rate of growth in the number of doctors and measures have been taken to restrict immigration.

The last part of that sentence is the important part. I say, Madam Speaker, that that is the most absolutely rotten tripe. The executive of the Canadian Medical Association has apparently had some influence on the minister and some of his political advisers. They have placed themselves among concentrations of doctors in major metropolitan centres where doctors, inflated by the prestige and, shall I say, the incomes derived from specialties, have succumbed

to what I as a layman, reflecting the attitude of the population, consider to be a development that is contrary to the public interest.

The more lucrative specialties have concentrated themselves to the extent that in a province like Ontario many, if not most, of the specialists have opted out of medical care. They now bill the patient with their fee and the patient is reimbursed on the basis of the agreement reached with the Ontario Medical Association. And the average patient then pays a premium.

In the province of Alberta that is not quite the case. There are not so many who have opted out. The doctors have agreed—

Mr. Rodriguez: Things are always different in Alberta.

Mr. Lambert (Edmonton West): Let me tell the hon. member for Nickel Belt (Mr. Rodriguez) that the doctors of Alberta have agreed to an increase in their fees within the income guidelines. That shows the responsibility of those doctors and of the government of that province in regard to health care costs.

Mr. Baker (Grenville-Carleton): Go back to sleep, Rodriguez.

Mr. Lambert (Edmonton West): Frankly, Madam Speaker, I have never been more astounded by some of the representations I have received from individual doctors and from the Canadian Medical Association, whose former president, now a minister in Ontario, had the unmitigated gall, and I think foolishness, to say, according to press reports, that there were too many foreign students in Canadian medical schools, particularly Toronto. Of course some of them are so chauvinistic that anyone who is non-Caucasian in appearance becomes a foreign student.

● (2050)

Many students have parents of foreign origin whose skin is not white, but their intelligence and other attributes exceed all too often those of some of their native Canadian-born colleagues. They are prepared to work a little harder and dedicate themselves to their university preparation with a greater degree of sincerity. I regret the unseemly spectacle of some months ago when the former President of the Canadian Medical Association lumped together Canadian-born of non-Caucasian origin with the foreign born, and presumably non-white, as foreign students, and therefore presumably undesirable in Canadian medical schools.

All I say to the members of the profession is that if they endorse the actions of their former president, shame and double shame! I say also to the minister, shame and double shame on him because he has accepted this sort of thing. In his statement he says that curbs have been imposed on the immigration into Canada of foreign trained doctors.

Let us look at how many doctors there are in Canada, how many graduates we have had annually from our Canadian medical schools since 1971, and how many physician immigrants we have had admitted to Canada since that time. I also have some statistics, thanks to my colleague from Mackenzie, who placed a question on the order paper as to doctors practising in Canada. The answer of January 23, 1975 also shows the net loss of Canadian trained doctors to the United States. In addition I have had provided to me by the Canadian Medical Association the estimated cost of training a doctor in Canada for his total career. According to these statistics we can show how nonsensical the restriction has become.

I think the testimony of every one of my colleagues, and of every one of the minister's colleagues who represents a rural population will show whether Canadians are overserviced or over-provided with doctors. Let them go to any small town any place outside of the major metropolitan centres and ask the doctors who are there, and ask the nursing superintendents in the local hospitals, those little 30-bed hospitals, what the difference of one doctor means.

Mr. Rodriguez: Ontario is closing them all now.

Mr. Lambert (Edmonton West): Ah! The member is trying to make political capital out of that. I will tell the hon. member for Nickel Belt that in the past 15 years across Canada, in respect of hospital and school construction, all that was necessary was "ask and you shall receive." Some of the older hospitals should be closed. Prodigality was rampant in this country in the past 15 or 20 years in respect of many of the things built. They were monuments to the glorification of certain hospital boards.

An hon. Member: And certain governments.

Mr. Lambert (Edmonton West): The demand for which was initiated by many of the colleagues of the hon. member. Let him not stand up "holier than thou." His ears have already flopped down to his shoulders from the weight of his halo.

Now, Madam Speaker, from our statistics—and I must confess here that I am a little bewildered by the results as I see them.

Mr. Guay (St. Boniface): You are right on.

Mr. Lambert (Edmonton West): The hon. member for St. Boniface—

Mr. Guay (St. Boniface): I paid you a compliment.

Mr. Lambert (Edmonton West): You know, Madam Speaker, the chief government whip this afternoon was constrained to ask the Minister of Labour whether he had music with him. If he would ask a question now he might get the information. Instead of that the hon. member had to bellow out. That is his chief capability. In any event in 1973 Statistics Canada gave out our latest figures which show that there were 36,095 active physicians in Canada. If hon. members want the information I can give the breakdown in respect of provinces as to these figures. I can go back to 1969 as a matter of fact. In 1973, just to show the disparity—

Mr. Roy (Laval): Nineteen seventy-three!

Mr. Lambert (Edmonton West): I will tell the hon. member that I think we should have something later than 1973. Stats Canada cannot give us anything better than 1973. However, I will tell the hon. member that in so far as a so-called socially backward and maligned country like

South Africa is concerned, its 1975 year book which appeared last week on my desk has statistics all the way to June, 1974.

Mr. Rodriguez: We do not read it.

Mr. Lambert (Edmonton West): That is right; the obstinately blind refuse to read. All I say is that in this area I think we are not as well served by Statistics Canada as we should be, because in this debate when considering the number of active physicians in Canada we should have figures more recent than 1973. As a matter of fact it is even better than that; it is not only Stats Canada. My source of information is actually the health manpower planning section of the Department of National Health and Welfare in its publication of February, 1975. That is how far out of date the minister's own section is.

When we talk about the number of physicians in Canada this includes all active civilian positions including interns, residents, and physicians employed by federal and provincial governments as well as pharmaceutical companies. It also includes those working as full-time teachers or researchers. There are very few, if any, who might not be counted in this definition, so I presume it might include physicians in the uniform of the armed services.

In 1973 Newfoundland had 605 physicians, Prince Edward Island 105, Nova Scotia 1,353, New Brunswick 677, Quebec 10,150, Ontario 13,726, Manitoba 1,597, Saskatchewan 1,186, Alberta 2,526, British Columbia 4,120, Yukon 18, Northwest Territories 29, and unspecified as to their provincial affiliation 3, making a total of 36,095.

● (2100)

In 1975, according to the Canadian Medical Association, there were 1,572 graduates from Canadian medical schools.

Then we looked at how much it costs to produce a graduate medical student. I tried to get the statistics from various universities and from the CMA as to what it costs per student per year of study, and there was such uncertainty and such variation in figures that nobody wanted to venture a hard figure, so I left it alone. However, CMA has indicated a very rough estimate, but it should be knowledgeable about this.

It was estimated that the total cost of medical school for a doctor in Canada is in the neighbourhood of $150,000 per student; in other words it costs about $150,000 to produce a graduate doctor here in Canada. Of that amount the medical student will pay approximately 10 per cent in fees because I think the medical studies, as do others, are paid for approximately 85 per cent from government contributions, 10 per cent from student fees, and 5 per cent from grants and scholarships. This is information that I have obtained over a number of years from the federation or association of Canadian universities in testimony before committees of this House.

Further, we have been able to ascertain that the Canadian Association of Medical Colleges quoted a 1974 U.S. study which found that in 1972-73—there has been a change because of inflation and I must counsel hon. members about this change—in the United States the cost was approximately $12,650 per year per student. Considering that a doctor normally takes about six years to graduate to the point of internship, this would represent around $75,000 per annum in 1972-73. I am subject to correction here because these are rough averages, but in any event it shows that it costs more in a Canadian medical school to produce a doctor than it does in the United States, because there is no way that the estimate today of $150,000 translated back to 1972-73 would in any way compare with the figures I have given with regard to the United States. There is some appreciable percentage difference. It may be 10 per cent and it may be as high as 20 per cent, but there is a distinctive margin between the countries.

Now here comes "la bête noire" of the minister, the CMA, and many others. In 1969 there were 1,347 immigrant doctors who came to Canada, in 1970 there were 1,113; in 1971, 987; in 1972, 988; in 1973, 1,170; in 1974, 1,080; and in 1975 on the basis of a preliminary estimate, 825. These are the statistics obtained from the Department of Manpower and Immigration in reply to my colleague, the hon. member for Mackenzie (Mr. Korchinski), in their answer of May 30, 1975. He put his question in January, 1975.

Mr. Guay (St. Boniface): You are all mixed up.

Mr. Lambert (Edmonton West): No, there is no mix up because it is the department which has given the figure of 825 on the basis of a preliminary estimate for the year 1975.

We have gained so many doctors by graduation from medical school: in 1975, 1,572 doctors at approximately $135,000 per individual in cost to the public. This comes to $212,220,000 to train our own Canadian medical graduates. That was the bill for the graduating class in 1975, that is, the public contribution. It was more if we consider their 10 per cent in fees, or another $15,000 individually, which means another $22,500,000 or thereabouts. What about the 825 doctors who came into the country? We did not pay one blessed red cent for their training, but the cost of training an equivalent doctor—

Mr. Guay (St. Boniface): What is it?

Mr. Lambert (Edmonton West): The hon. member for Niagara Falls (Mr. Young) will have an opportunity to make his speech.

Mr. Young: Madam Speaker, I wish to rise on a question of privilege. The hon. member has referred to me, but I made no comment during his speech.

The Acting Speaker (Mrs. Morin): Order, please. This is far from a question of privilege.

Mr. Lambert (Edmonton West): If the hon. member is so keen to identify himself, he may speak. I apologize to my friend, the hon. member for Hamilton Mountain (Mr. MacFarlane), whom I know better under a more familiar name.

Mr. MacFarlane: I accept anything you have to say about me.

Mr. Lambert (Edmonton West): I apologize to the hon. member. I recognized him gratuitously. He should bow and thank me for indicating to his constituents that at least he was in the House during this debate.

Now the cost of educating 825 foreign doctors, if we undertook it, again using the $135,000 cost of producing a doctor, would come to $112,377,000. I am using rough figures, but even if there are errors of approximation of anywhere from 3 per cent to 5 per cent in the over-all total, will the hon. member say that the comparison is unjustified? Let him come up with a speech to criticize this in principle.

● (2110)

Having received 2,397 doctors into Canadian society in 1975 at a total cost of $212 million to Canadians, surely hon. members will realize that our net cost for the provision of continuing medically trained personnel—and by that I mean physicians—is not quite halved, but at a rough estimate is cut back by something over 40 per cent.

The minister has said that we must place a curb on the number of doctors coming into this country, and in fact the Minister of Manpower and Immigration (Mr. Andras) says that any doctor coming into the country must have that manpower form 1234. A bell is rung with an offer of employment, unless of course the doctor has sufficient funds, perhaps $100,000 or $125,000 in capital.

Mr. MacFarlane: How do you get that?

Mr. Lambert (Edmonton West): The hon. member for Hamilton Mountain (Mr. MacFarlane) asks how I get that. I get it from direct letters, and if he wants I will show him the letters from the ministry showing that doctors coming to Canada now must have an offer of employment which is approved by Manpower.

An hon. Member: That is the same with everyone else.

Mr. Lambert (Edmonton West): Why?

An hon. Member: Why should they be special?

Mr. Lambert (Edmonton West): Who is going to hire the doctor for the small town in northern Alberta or for the small towns of the rural areas in Ontario? Not the government.

An hon. Member: The provinces.

Mr. Lambert (Edmonton West): Oh, is that what the hon. member thinks? Is that going to provide doctors from out of the country, from the United States, doctors trained at Trinity, Dublin, or one of the great teaching hospitals of London, or some of the Chinese doctors who are, frankly, more capable with one hand tied behind their backs than many Canadian trained doctors?

Mr. Parent: My seatmate is a doctor.

Mr. Lambert (Edmonton West): I could take him out and introduce him to some of my friends.

Mr. Parent: If he ever operates on you, you've had it.

Mr. Lambert (Edmonton West): I hope I will never have to defend the hon. member for St. Catharines (Mr. Parent) in a traffic case. He is very eloquent from his seat.

Mr. Pelletier: Oh, oh!

Mr. Lambert (Edmonton West): I wish the hon. member for Sherbrooke (Mr. Pelletier) would talk to some of his eminent friends from the medical faculty of the University of Sherbrooke, a good medical school.

Mr. Pelletier: I have, and that was the best part of your speech.

Mr. Lambert (Edmonton West): The hon. member has only parochial knowledge. They will not dispute my general conclusions, but I will say that on the basis of the restrictions on immigration with regard to medical graduates from the United States, Great Britain, Ireland, India, the Philippines, and Hong Kong, we are depriving many if not most of the rural areas of Canada of medical services.

Mr. Guay (St. Boniface): The vice premier of Alberta would not do that. Dr. Horner wouldn't do it. You are wrong, and you know it.

Mr. Lambert (Edmonton West): He is not in medical practice. He has nothing to do with this. I am simply saying that I do not care whether the decision was made by the Minister of National Health and Welfare or the provincial ministers of health, and when some of my contemporaries in the city of Edmonton, who are specialists enjoying fat cat practices in the hospitals, say that we should put a curb on the immigration of doctors, I must say that my language becomes very violent. I then offer to take them out and show them where and how that is wrong, and a number of them reasonably take a different attitude.

Because that was the main point of my speech I should like to hear the hon. member who is a physician tell me that I am wrong, that the CMA, the department of health and the department of education—

Mr. Philbrook: Mr. Speaker—

Mr. Lambert (Edmonton West): If the hon. member has something to say against me, let him make a speech.

Mr. Philbrook: Mr. Speaker, I wonder if the hon. member realizes that I have already made my speech. If he attended the house a little more regularly, he would realize that.

While I am on my feet, I wonder if the hon. member would permit a question.

Mr. Lambert (Edmonton West): I will take it at the end. There are many opportunities for the hon. member to make more speeches with regard to this bill, and I invite him to do so, on this particular point.

I asked the minister the other day whether he would have his officials take into consultation not only opposite numbers of bureaucrats and others with regard to the control or the re-examination of health delivery costs, and I asked him to take in not just doctors—particularly not the doctors who put people in hospitals, because it seems to me that that is too easy—but that when it comes to controlling costs in hospitals and appropriate supervision, medical superintendents, administrators and particularly supervising nurses should be called in so that they can say when patients should be discharged.

Mr. Guay (St. Boniface): Hear, hear! That is the point.

Mr. Lambert (Edmonton West): I am a little worried, because when the hon. member for St. Boniface agrees with me I have doubts as to whether I have a valid point. The other point I should like to put up for examination here in central Canada—and here I am open to correction—is the manner of practice in Ontario, which seems to me a very high cost method of operating medical services. Here in the city of Ottawa if I have an ingrowing toenail—or, as a better example let us say I feel ill at ease and have a pain inside—

An hon. Member: Now you know how we feel.

● (2120)

Mr. Lambert (Edmonton West): Mr. Speaker, the hon. member should see a neurosurgeon as he is suffering from softening of the brain.

Mr. Baker (Grenville-Carleton): That's because he is sitting on it.

Mr. Lambert (Edmonton West): If someone in Ottawa feels in need of medical service, even though he may have a friend who is a general practitioner or a friend who is a surgeon, it is still likely that he will have to be referred to another doctor. There has to be that double contact. Strangely enough the first contact is paid for by the Ontario Health Insurance Plan as well as the doctor ultimately consulted.

In my province of Alberta there exists generally what is known as clinic practice, with some specialists gathered around major teaching hospitals. An individual goes to a clinic, is examined by a general practitioner and is referred, within the clinic, to a specialist in the group. Only one fee is charged unless in specific cases reference is made to an outside independent specialist.

In Ottawa, unless an individual has the inside track, it can take three or four weeks for a doctor to see him. That does not happen in group practice.

Mr. Rodriguez: Come and see me.

Mr. Lambert (Edmonton West): I should like to see those members of this House who are doctors speak out in this regard and tell us whether we as laymen are right or wrong in our estimates of what it costs for the average individual to see a doctor in most provinces.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but without the unanimous consent of the House, he cannot continue his remarks.

[*English*]

Is there unanimous consent to allow the hon. member to complete his remarks?

Some hon. Members: Agreed.

Mr. Lambert (Edmonton West): Mr. Speaker, I want to thank hon. members sincerely for their courtesy and I shall try not to abuse it.

[Mr. Guay (St. Boniface).]

The last point I should like to make considering the type of health care—the hon. minister may feel a bit skinned but I will be glad to hear his ultimate response—

Mr. Lalonde: I have been the first one to propose you carry on.

Mr. Lambert (Edmonton West): That is fine. I hope the patient does not die. I think we want to look at the type of health care that is provided. I realize some of the provinces do not have the resources, but this is an area for a great deal of co-operation and study between the federal and provincial governments.

It is unfortunate that in some provinces patients are kept too long in active treatment hospitals and at a great cost. The reason for this is usually a lack of convalescent or chronic care beds. I realize it is not within the capability of all provinces to provide the services in the correct proportion, but it is one area that should be examined if we are concerned about the swiftly escalating cost of the delivery of health services. I suggest it is an area ripe for potential savings.

In the area of home nursing services some provinces have commendable programs and I hope the Ontario program is not adversely affected by proposed cut back. The Victorian Order of Nurses, in Ontario as elsewhere, is one body that has provided admirable service in this field at very low cost. It should continue and be encouraged as a model of service that can be provided under an ideal health care scheme.

Secondly, there should also be a conversion, not a closing of some of the large hospitals.

An hon. Member: What about Frank Miller?

Mr. Lambert (Edmonton West): I am not knowledgeable, nor is the hon. member, of the factual Ontario situation. I have seen conversions of some of the older hospitals in Alberta—although not since 1971—into convalescent or chronic care hospitals. They have been modernized at a reasonably low cost per patient and do fill a real need.

I have not seen auxiliary hospitals in Ontario. These occupy the gap between active treatment hospitals and the nursing homes. Physicians are on call and patients who require constant care are usually transferred to active treatment hospitals so the overhead expenses are not high. A lot of additional service rendered comes from volunteer groups in the community.

It might be a good idea for the provinces to provide extensive nursing home facilities where people could be taken care of but not treated for actual illness. The cost to the government is low in these places because the patient bears most of the expense. The fee generally does not amount to any more than it would cost the patient to live in a one room cold water flat or a basement room or, as an unpaid babysitter as happens in far too many cases. They are able to live in greater dignity and comfort in a nursing home.

I thank hon. members for the opportunity of speaking at this length. On the question of the provision of doctors I do not believe a case can be made to restrict the immigration of qualified doctors to Canada. As I have pointed out, there

are still many fruitful areas for co-operation in the field of public medical care.

• (2130)

There can also be fruitful consultations with regard to the length of time people have to spend in hospitals, and these should not be just with the CMA. They are the people who put people in hospitals and unfortunately, most of the time say when they are to come out. If the health plan is in difficulty, that is where a lot of the responsibility lies. I also say that administrators of hospitals, nursing supervisors, and nursing staff should be consulted about the length of hospital stay.

Knowing how the health care system was forced on the provinces, I can only say that the minister has approached this difficult problem with a battering ram. For that reason I, at the moment, withhold my consent to the passage of this bill.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I was glad to hear the hon. member for Edmonton West (Mr. Lambert) standing up for immigrant doctors. It is too bad his party will not let an immigrant businessman run for its leadership.

Some hon. Members: Hear, hear!

Mr. Rodriguez: However, I did not come here this evening to talk about Tory politics. The Tories have their own problems this week end.

An hon. Member: Why did you come here?

Mr. Rodriguez: I came here to pour coals on the head of the Liberal government for seeking to pass Bill C-68. This bill seeks to amend the Medical Care Act and to limit the increase in federal contributions to help meet the rising costs of the provinces. The bill imposes maximum yearly percentage increases in federal contributions. The increases are to be 13 per cent in 1976-77; 10.5 per cent in 1977-78; and 8.5 per cent after 1978. Keep in mind that under the present Medical Care Act the federal government pays 50 per cent of the cost of a province's medical care program. There is no federal funding for home nursing, denti-care, prosthetic appliances, and pharmacare. Many provinces fund these programs entirely on their own. Poor provinces cannot afford these services.

Keep in mind that the federal act provides for the addition of these services. Interestingly, the government has not added one of these services since the passage of the act in 1968. Many provinces, particularly poor ones, have been unable to extend services under the act. Any services they try to implement cost them plenty of money as they have no control over the collection of income tax.

We, in Canada, have taken for granted many of the programs we fought years to achieve. We fought hard for free collective bargaining and thought we had won that fight, only to see the government pass Bill C-73, thereby destroying free collective bargaining with its wage controls.

An hon. Member: What bill are you talking about?

Mr. Rodriguez: We fought for the right of our children to a decent, basic education, and won that fight. My party, especially, fought hard to give Canadians a decent standard of health care. We thought we had won that battle; then we find that the Liberal government brings forward a bill which will take away that hard-won right. It is doing it by cutting back federal contributions to medicare. We have seen the government destroy our collective bargaining process; now it is trying to destroy the medicare program it initiated in 1968 and encouraged the provinces to join.

I know the Minister of National Health and Welfare (Mr. Lalonde) runs around smiling like a Cheshire cat, purring that if we are to reduce health costs we must improve our life styles and environment. He criticizes the provinces for not introducing seat belt legislation which will cut down the cost of treating automobile accident injuries, and for not discouraging the consumption of alcohol and cigarettes; yet he travelled to Israel on the jet of one of the biggest liquor barons in North America.

Some hon. Members: Shame!

Mr. Rodriguez: He also suggested that the provinces should embark on programs of preventive medicine. No doubt he is correct. No doubt health costs can be reduced if we reduce hazards in the work place. But the federal government has a responsibility in the area; it cannot get off the hook so lightly.

It is true that health costs could be reduced if the provinces reduced health hazards. As I say, the federal government too has responsibilities in the area. What has the government done to improve our lifestyles and environment? Where are the tough, strictly enforced standards for air and water quality which the Department of the Environment should have developed?

Mr. Baker (Grenville-Carleton): They are non-existent.

Mr. Rodriguez: Why do we have high levels of arsenic emission in the Northwest Territories, and evidence of mercury poisoning among people living there? Why, for that matter, are unsafe conditions permitted in the uranium mines at Elliott Lake, which are under the jurisdiction of Atomic Energy of Canada Limited? Why is the government not enforcing the law and ensuring safe conditions in the uranium mines? Who is to compensate workers who have developed silicosis? Who will pay the shot for maintaining their families?

It is all very well for the minister to go around the country smiling and telling the Canadian people they must improve the environment and their lifestyles. The government can do much to improve health care; it could introduce programs of preventive medicine. But it has not done this. Instead, it inflicts on this country this particular bill.

Where can one see evidence of the model health and safety programs which federal departments and Crown corporations ought to implement? Where is the evidence of information programs for the country's industrial workers, which could warn them of potential hazards on the job? Where is the evidence of research into such hazards, and research with regard to preventive programs?

The recent speeches of the minister have been self-congratulatory. In them he has mentioned the thoughtful study which his department released just before the 1974 general election entitled "A New Perspective on the Health of Canadians." If the minister had actually read the study he would have noticed that it talks about preventive medicine programs being necessary if we are to improve significantly the health of Canadians. But in order to do this we need to devote more resources to health care. We need more paramedics, more clinics, and alternate care facilities, pharmacare programs to reduce costs and remove income barriers to needed drugs, etc. In other words, we need health care programs which Saskatchewan, Manitoba and B.C. have provided on their own. If the federal government were serious, were concerned about the health of Canadians, it would shoulder the costs of these programs.

Let's look at it this way: The federal government is trying to make the provinces conscious of the rising cost of medical care. But the provinces know this very well. They must pay 50 per cent of the increased cost, without access to income taxes. Not only must provinces pay their share of the costs of the medical care program; they must pay the total cost of services not covered under the act. That cost the provinces $1.5 billion in 1975.

The federal government is determined that the provinces must pay more. It argues that by putting a ceiling on contributions it will provide an incentive for provinces to cut their own health costs. Placed in this position provincial governments will have to increase provincial sales taxes, cut medical care services, or charge user or deterrent fees. Any one of these alternatives is regressive, and would constitute a reduction in health care for Canadians.

● (2140)

In Ontario, for example, we see how the provincial Tory government is coming to grips with the problem. First it implemented seat belt legislation. Now the Ontario health minister is running around like the grim reaper, as he was described by the Ontario Liberal leader, with a coterie of press people in tow, announcing grandly that this hospital will close and that hospital will close.

It is interesting to note that in every case there was no consultation with the community. There was no consultation with the personnel in the hospital to be closed. Incidentally one hospital in my constituency was closed. There was no consultation about that action. It was completely arbitrary. That is one of the detrimental aspects of this kind of legislation. It forces the hands of the provincial governments.

With this kind of ad hocery afoot, one group of Canadians will suffer most. There is no question about it. It is those who lack money, those who lack economic power, the poor. It is a well known fact that those who have little money, the poor, have the poorest health. Indeed it was primarily because of this fact that a Liberal Senator, David Croll, a man most sensitive to the needs of the poor, in response to the June announcement that the government would cut back on this said, and I quote:

> It is wrong in concept; it is divisive in practice and in my opinion it is wrong, wrong, wrong, a thousand times wrong.

The cost of Medical care has gone up, but that does not mean the provinces stand condemned as wasteful. In a report by the Geneva based International Social Security Association no let up is seen for rising expenditures on sickness insurance. They say in their report, and I quote:

> ... mankind is increasingly beginning to regard medical care as an absolute necessity, a belief fostered by the rapid progress of medical science....
>
> The reasons for the spending increases are complex, but include several basic ones in most developed countries:

Here are those factors:

> The majority of populations are in the older age brackets and older people tend to consume more medical goods and services than do the younger age groups.
>
> Medical consumption is regarded as a priority need that must be satisfied at any cost, regardless of income level.
>
> Medicine has gone through a "complete upheaval" in the last 50 years, becoming both more effective and more expensive, and people appear prepared to pay the increased price.
>
> Medical care is becoming more and more specialized and often caters to the individual rather than to the masses.
>
> For example, the introduction of systems for the electronic examination of heart patients has increased the cost of hospital treatment. Every year in the U.S. 15,000 patients receive a cardiac pacemaker that costs $1,500 and has a life expectancy of about three years. Now, a pacemaker has been developed with a nuclear battery than can last 10 years, but costs $5,000. The report says this means that every year 15,000 Americans may be paying $75 million for heart pacemakers alone.
>
> The association says that doctors tend to contribute to increasing medical cost. Because they have a wide range of means of diagnosis and treatment at their disposal, practioners tend to consider that their duty toward a patient demands that every form of examination and treatment that may be of use to them should be applied, even if the prospect of success is small.

Should the government be putting the screws to medicare in this fashion? The only answer that we in this party can come up with is absolutely no. The other question which we must face is: what should the federal government be doing? In the Department of National Health and Welfare publication "A New Perspective on the Health of Canadians" it was suggested that if the health standards of Canadians were to improve and in the long run be made less expensive, it would be necessary to start spending more money on preventive medicine rather than just providing programs to patch up the damage. It does not look as if the people on the benches opposite have been reading the publications of their own departments. Or perhaps they simply do not care. They will be able to afford doctors.

An hon. Member: Oh, oh!

Mr. Rodriguez: Don't worry, I get my practice.

Mr. Gilbert: He runs around the riding.

Mr. Rodriguez: I run around the riding trying to get Liberals to feed it.

Early diagnosis through health centres is absolutely imperative. If we can identify early a cause which results in silicosis for a miner and can correct that cause, it will certainly be a relief to the taxpayer in terms of the medical program. We can certainly identify symptoms early in children. Take, for example, mental illness and emotional disturbances. With early identification and treatment we can save the taxpayers a lot of money.

The government is interested in saving money in health care, but does it do those things? No. We only have to see what it does with these people. It brings them to court,

locks them up, and puts them in solitary confinement when they do not conform. They are not exposed to treatment. I suppose shortly we will hang them. No attention is being paid to that area. It is easier to bring in this kind of a bill and say let the provinces sink or swim.

There certainly ought to be convalescent centres. It costs Canadian taxpayers as much as $200 per day to maintain a chronic case patient in an active treatment hospital. It would be cheaper to put that person in the Carleton Towers at $30 or $40 a day. There would be a saving to the Canadian taxpayer. But we do not do that. We say the funds are not available.

Those who are the poorest in this country can never get into convalescent centres. Therefore we have these chronic care patients in active treatment beds, at great expense to the taxpayers.

The use of paramedics would reduce the reliance on doctors. In many of the northern parts of my constituency we could certainly use paramedics. We would not have to transport a patient to an active care hospital at great expense to treat him. No work has been done in the area of paramedics, but it would certainly cut down on the cost of using doctors.

We have not done anything in the area of cottage hospitals where minor surgery is done, with the patient staying in his own community where he can be cared for by his family. Much minor surgery could certainly be carried out in a cottage hospital; such a system has worked well in other parts of the world.

● (2150)

Again, we provide no dental care programs for children across Canada through which dental problems could be identified and corrected early. If such programs were put into effect, medical costs generally could be reduced. In poorer provinces which cannot afford to support such programs on their own, such childhood complaints are left unattended until eventually they prove very costly. But the government ignores reasonable solutions. Take the oil situation, for example. It thinks it can crank up the price and thus cause people to use less. This seems to be a Liberal approach—if you can make the cost of a commodity or service prohibitive the demand for it will be reduced. But who are the ones who suffer? Who are the people which the government seems to want to punish? In this case it is the users of the health service.

Where else could the government cut the costs of health services? There is one obvious way, but it is hard to expect a Liberal government, or indeed a Tory government for that matter, to act along these lines. In Ottawa the majority of lung-related diseases are due to smoking. In my riding, the majority of lung-related diseases are due to living near the smokestacks of INCO and Falconbridge. And the first thing that happens, whenever corporate profits look as though they might just possibly be dipping, the first thing to be curtailed is expenditure on anti-pollution equipment. That is the first thing to go out. There is one nice thing, though.

The International Nickel Company is acting on this matter, and it gives me pleasure to say that in my riding it has now raised its smokestack 1,200 feet into the air. As a result, I understand the sulphur fumes coming out of that stack lately are falling here in Ottawa. I am happy about that. I hope these fumes will invade the brains of members opposite. I bet you dollars to dimes you will see them taking action fast because they will be receiving the benefits of that pollution.

An hon. Member: It got to you.

Mr. Rodriguez: I see I have touched a tender spot in the sensitivity of members over there.

There might be something else the government could do in its own backyard affecting its own employees. Perhaps it could become a model employer. In the public service in 1974-75 there were 22,218 accidents costing directly more than $7 million. Out of the figure I have mentioned, more than 10,000 people were injured in the department of that friend of labour, the Postmaster General (Mr. Mackasey). Almost 7,000 of those injuries were disabling, and the total cost was $3.5 million. That doesn't include the health costs, but I have a feeling a lot more money could be saved in that area if the government really cared to save money by starting up an industrial safety program among its own employees.

There is another question which arises when I consider a proposal such as we have before us. We look around the country, Mr. Speaker, and we are amazed at our priorities. We marvel. It is interesting to note that the country can find the resources to build a one billion dollar Olympic set-up. To do what? We can spend $100 million to secure 1,500 athletes for two weeks. We can do this without batting an eyelid, for the sake of somebody's ego tripping. I do not understand the mentality of Liberals. It is quite clear they have a false sense of values. I realize that this touches a sensitive issue.

An hon. Member You voted for the Olympics.

Mr. Rodriguez: We did not. If the hon. member for St. Catharines (Mr. Parent) wishes to make a speech I will certainly yield the floor to him.

An hon. Member: He is good at interrupting.

Mr. Rodriguez: He is good at interrupting, not at speaking. He had better go and take a poll among his constituents.

Where are our priorities? We can find dollars to put on a fantastic Olympic spectacle, and no doubt we shall be paying for it by having an Olympic lottery for the next hundred years. But we cannot find the money to provide health care services.

Mr. MacFarlane: That's not true.

Mr. Rodriguez: Where are we going to find it? We shall all have to find it.

Mr. MacFarlane: Because you shout louder does not make it true.

Mr. Rodriguez: They say preparations for the Olympics are moving ahead on schedule, moving toward an improvement in the muscles of a very small group of Canadians. But sometimes I wonder about our mental health. When we pick up the papers today it seems to me we are con-

stantly reading about cases of people going off the deep end because of the pressures which modern society generates. The government should reorganize its priorities.

The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) called the bill a law of the sea bill—women and children first. We can add one more category to that list and say: women, children, and sick folk. The government took on the 65 year-olds when it amended the Unemployment Insurance Act. It took on the lower income families when it cut off the indexing of the family allowances. Now we see it cutting back its responsibility for medical care. It is determined to destroy the program of medicare which was built with great success, by a provincial socialist government in this country.

May I call it ten o'clock, Mr. Speaker?

* * *

BUSINESS OF THE HOUSE

Mr. MacLean: Mr. Speaker, I should like to ask the spokesman for the government if he can confirm the business we shall be discussing tomorrow.

Mr. Lalonde: Tomorrow we shall be concluding, we hope, third reading of Bill C-58.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40, deemed to have been moved:

GOVERNMENT ADMINISTRATION—GOVERNMENT POSITION ON CONTRIBUTION TO CROP INSURANCE FUND

Mr. Doug Neil (Moose Jaw): Mr. Speaker, up until a few moments ago the Minister of Agriculture (Mr. Whelan) was in the Chamber. I am disappointed he has left because I am directing my remarks specifically to him.

● (2200)

On February 9, 1975, as reported at page 10742 of *Hansard*, I asked the President of the Treasury Board (Mr. Chrétien) the following question:

> Mr. Speaker, my question is for the President of the Treasury Board. In view of the fact that under th Crop Insurance Act the federal government is committed to a certain level of contributions based on the number of farmers covered; in view of the fact that the crop insurance section has estimated that the required federal moneys for 1976 will be about $62 million; and in view of the announcement by the minister that the amount of the federal contribution will be cut by about $10 million, reducing the contribution to $52 million, can the minister advise what will happen if the required contributions by the crop insurance board exceed $52 million, and will he advise further when the government plans on obtaining additional funds, or will it renege on its commitments?
>
> [Mr. Rodriguez.]

The President of the Treasury Board replied:

> Mr. Speaker, this question is rather technical. I do not think I can give an answer at this time, but I think that all sectors of the economy, including this one, must participate in the federal government's restriction program.

Subsequently the President of the Treasury Board was good enough to write to me advising that if federal costs exceeded $51,900,000 the requirements of the Crop Insurance Act would be honoured.

In the January 24 issue of the "Report on Farming", Mr. Glenn Gorrell, an official of the federal crop insurance board, is quoted as saying:

> —we're just trying to encourage them (the crop insurance boards) to sell a minimum of insurance.
>
> "This is a good time to take a hard look at crop insurance, because benefits seem to have escalated beyond costs. Are we restoring out of pocket costs to the farmer, or guaranteeing a profit?" he asked.

It is interesting to note as well that on February 9 the Parliamentary Secretary to the Minister of Agriculture (Mr. Pelletier) in the adjournment debate stated that the Minister of Agriculture had written to the provincial ministers of agriculture explaining the reasons for restraint in the expenditures of the crop insurance program for 1976-77. It seems rather inconsistent that in his final paragraph the parliamentary secretary should state that it remains the intention of the government to support the crop insurance program as a primary means of assistance to producers who suffer severe crop losses as a result of natural hazards.

Since its inception the crop insurance program has become increasingly popular with the producers of western Canada, and each year sees an increase in the number of participants. Recently the various provinces in the prairies got together and decided to equalize their coverage in the prairie region. I think one could safely compare the crop insurance program with the unemployment insurance program which we have in Canada, because the crop insurance program provides the producer with a reasonable income to carry on in a year when he has suffered either partial or complete crop loss as a result of natural hazards. It is a program which is open to all producers, and a cut back in federal expenditure on this program can only lead to the shifting of the burden to the provincial governments, or to a reduction in the coverage that is available, or to a limit on the number of participants in the program. Will the provinces be required to turn to applicants who want to participate in the program and say, "We are sorry, we have not got sufficient money to allow you to participate"?

Since I came here in 1972 the Minister of Agriculture has always held himself out as a friend of the farmer. He spends a great deal of time travelling around the country telling the public what he has done to assist the farmer. I find it very difficult to understand that he personally would be party to any reduction in a program that was set up to assist the farmers in times of distress, and I would certainly like to hear him say publicly that he personally agrees with any cutbacks in the program.

We recently passed a grain stabilization bill, but of course this was presented to the House by a different minister because of the divided responsibility in the field of agriculture. At the moment I do not hear the government indicating any intention of cutting back on the con-

tribution to that program. However, it may be that in a year or two the government will find that the stabilization program is costing it more than it anticipated, and in the interests of restraint will start to cut back on that program. Quite frankly I am disappointed at the Minister of Agriculture not standing up for the western grain producer and making other cabinet members aware of the importance of agriculture to Canada.

There is no question but that the government must exercise restraint in its spending, but quite frankly when you consider many of the government programs and expenditures, there are many areas where cuts could be made which would create little or no hardship. I am reminded of the $88 million expenditure for language training facilities at a Canadian Forces base in the province of Quebec over the next three or four years. One need only examine the latest report of the Auditor General for further examples.

Agriculture is not only vital to Canada but is vital to the whole world in this time of population explosion and starving millions. The farming industry must remain viable. It can remain viable only if the government supports the programs which it brings into effect on a long-term basis. It is the responsibility of the Minister of Agriculture to see that the programs receive the support of the government. Only time will tell whether the minister is known, or will remain known, as a friend to the farmer.

[*Translation*]

Mr. Irénée Pelletier (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, before giving the official answer of the department, I wish to say that I am extremely surprised by the comments that have just been made by the hon. member for Moose Jaw (Mr. Neil), when he said that the Minister of Agriculture (Mr. Whelan) takes very little interest in western farmers' problems.

I believe that the minister has shown on several occasions his concern for agriculture in Canada, not only in the western provinces, but in Quebec, in the Maritimes and throughout Canada. I consider the hon. member's comments that the minister does not seem to be concerned by these problems as totally unjustified, useless and making no sense at all.

[*English*]

I am surprised to see this question before us again tonight. As the House will recall, this matter was discussed on February 9, just one week ago, when it was raised by the hon. member for Okanagan-Boundary (Mr. Whittaker). There is nothing further that can be added to what was said last week. I would, therefore, refer the hon. member opposite to page 10779 of *Hansard* wherein this subject was fully discussed. In addition, the President of the Treasury Board (Mr. Chrétien) has advised me that he sent a letter to the hon. member in which the facts were once again placed before him.

As the hon. member was advised on these occasions, a letter was sent to all provincial ministers of agriculture. Provincial officials are continuing discussions with officials from Agriculture Canada. Until these discussions result in a mutually satisfactory agreement it will remain impossible to advise of the precise manner in which this decision will be implemented. Nevertheless I can assure the House that the requirements of the Crop Insurance Act will be honoured.

[*Translation*]

Mr. Speaker, the hon. member opposite has raised questions about agriculture in the world, its importance, and so on. I think that when dealing with a matter such as the one he raised tonight, that is crop insurance, it has nothing to do with the world population, or with anything else. He should have dealt mainly with crop insurance. If one wants to deal with everything happening in agriculture, with anything at all, no answer can be given. If the hon. member is not satisfied with the answer given to him, this is because he has asked this kind of question three or four times within two or three weeks.

The minister has given an answer, he is concerned with what happens not only in eastern and western Canada, but throughout the country. He met with provincial minister of agriculture and public servants, to get this program to work. Therefore, I hope that they will finally begin to understand.

● (2210)

[*English*]

ANTI-INFLATION BOARD—REASON FOR REDUCING AMOUNT OF WAGE INCREASE FOR UNIVERSITY OF TORONTO LIBRARY WORKERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, when the Prime Minister (Mr. Trudeau) first announced his so-called anti-inflation program, members of the NDP opposed the proposal made by the Prime Minister and have opposed it ever since. We said then that the program would not work, that it would be inequitable in its application, and that while it might control wages it would certainly not control prices or profits. Even we did not realize how correct we were and how quickly the truth of what we were saying would be demonstrated.

On February 10 I asked the Minister of Finance (Mr. Macdonald) to explain why, despite the fact that in the debate in the House and in explaining the provisions of the legislation in the committee the minister had said that people making less than $3.50 an hour would be exempted from the 10 per cent maximum increase in wages and salaries, the Anti-Inflation Board scaled down the terms of the agreement reached between the Canadian Union of Public Employees on behalf of its members working in the library at the University of Toronto and the University of Toronto. The minister simply replied that he would discuss the matter with the board, but of course there have been no explanations from the minister and no change in policy by the Anti-Inflation Board.

Let me put on the record very briefly what the case is about. The union and the University of Toronto reached an agreement after a 20-day strike, under the provisions of which employees at the bottom of the wage scale at the University of Toronto working in the library would get an 18.5 per cent average increase in their wages. The wage increase to employees at higher rates was substantially lower.

The university refused to implement this agreement which they had negotiated because the Anti-Inflation Board advised them that the maximum it could agree to

was a 12.2 per cent increase. This was because the board ignored the fact that the minister had said that people earning under $7,000 a year could get more than 10 per cent. This was also despite the fact that the wage earned by people at the bottom end of the scale working at the library of the University of Toronto was $5,771 a year, and that the increase which they negotiated of 21.3 per cent would leave them with a paid rate of $6.92½ cents an hour, or $355 a year below the figure permitted by the regulations if the whole increase which the union negotiated with the University of Toronto had been implemented.

I say that the board ignored the guidelines as laid down by the minister which, in my view, it had no right to do. It did that at a time when the board was consistently awarding, to other groups of employees, substantially more than the 10 per cent to 12 per cent permitted under the guidelines. The teachers in Norfolk county in southern Ontario reached a one year agreement which gave them a 34 per cent increase, but the board reduced it to 24 per cent. In Renfrew county the agreement called for 29 per cent, but the board reduced it to 23 per cent. I could go on and on talking about what has happened to teachers. Teachers are getting in the neighbourhood of 20 per cent.

To show how ridiculous the situation is, the union exercised a right which it had under the provisions of the Ontario labour relations act to call for arbitration. Under section 37 of that act the arbitration board which it provided for has the duty to look into the case and to make a finding which is binding on both parties. Today that board made a finding: it directed the university to implement the wage adjustments as outlined in the collective agreement to the extent that it is permitted by law to do so. What law? These people are governed by provincial law; they are provincial employees. They have argued that the federal government has no right to set their wages until the legislature of Ontario passed legislation, which it has not done.

In the moment or two which I have left let me compare the tough attitude of the Anti-Inflation Board with its attitude with regard to price increases and profits. On February 5 the Ottawa *Journal* reported that the Anti-Inflation Board was going to issue tough directives governing the profits made by banks. That is not surprising when one realizes that in the three months ending October 31, 1975, the after tax balance of revenue of banks, which was the equivalent of after tax profit, rose by 87.5 per cent from the year earlier. This is permitted, but the Anti-Inflation Board was going to issue a very tough series of regulations.

One day later, before the regulations were ever promulgated, the Montreal *Gazette* carried a front page story saying that the Anti-Inflation Board regulations limiting banks were expected within a few days but were likely to be a watered down version of restrictions contemplated last month. One banker said the industry screamed bloody murder over the initial proposals. Apparently the board accepted the industry's protests against inequities after negotiations involving the Canadian Bankers Association and the banks.

That is the kind of inequity about which we have protested from the day the Prime Minister announced his program, and I suggest to the parliamentary secretary, who has the unenviable job of explaining this matter, that it is that kind of unfair rough justice the government has talked about so much which has so alienated the working people of the country.

[Mr. Orlikow.]

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I do not necessarily accept the first part of the statement made by the hon. member for Winnipeg North (Mr. Orlikow). I think he was quite correct when he stated that the minister would carefully review the question and submit it to the Anti-Inflation Board. That part I do accept. Some of his other statements were incorrect when he was assessing the situation when he took part in the debate when it was first introduced.

With regard to the point raised in the question by the hon. member I should like to say that the Anti-Inflation Board at its meeting of January 14, 1976, reviewed the collective agreement between the University of Toronto and the Canadian Union of Public Employees Local 1230, library technicians. I believe that is the concern expressed by the hon. gentleman.

The agreement was reviewed by the Anti-Inflation Board in light of its decision to approve an increase between the arithmetic formula in instances where an historical relationship has existed with another group or groups of employees. The board was satisfied as to the existence of an historical relationship between bargaining units in the Toronto area. However, the board considers that the historical relationship would be maintained if compensation increases were provided within the permissible limits defined by the formula behind the arithmetic guidelines. Therefore, the Anti-Inflation Board concluded that it could accept increases in total compensation of up to 12.2 per cent for CUPE local 1230.

Mr. Orlikow: You don't believe that nonsense, do you?

● (2220)

Mr. Trudel: I did not interrupt the hon. member when he spoke, and I wonder if he would have the courtesy to listen. It should be noted that such an increase would be within the limits of the anti-inflation guidelines for this group and applies to a total average increase in compensation for the group.

Part 4, division 1, section 43(2) on page 41 of the regulations reads:

> ... the compensation of an employee in any guideline year may be increased—(a) to $3.50 per hour, or (b) $600 or, where the compensation is paid for less than a year by an amount that bears the same proportion to $600 that the period for which the compensation is paid bears to a year, whichever results in the greater increase.

The application of increases for this group which would average up to 12.2 per cent does not preclude certain individuals within the group receiving increases in compensation of up to or even higher than $3.50 per hour or contravene in any way section 43(2).

Employees who receive a total hourly rate of compensation of less than $3.50 may, along with all other members of this group, receive a maximum average increase of up to 12.2 per cent. If this amount does not bring their total compensation to $3.50 an hour, the employer may proceed to do so within the necessity of costing in the additional costs to the permissible maximum.

I think if the formula is understood by the hon. member he will realize it allows that group to get the relief they are seeking.

PENITENTIARIES—MAXIMUM SECURITY PSYCHIATRIC INSTITUTIONS—STATUS OF INSTITUTION PROPOSED FOR DARTMOUTH

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I appreciate the hon. parliamentary secretary remaining in the House this evening and taking time from being with his family in order to respond on behalf of the minister.

My question is a fairly straightforward one which I raised on behalf of residents who, if present plans go ahead, will find themselves living in proximity to a maximum security psychiatric institution.

I raised this matter to ascertain what the status of the planning and consultation is with the province of Nova Scotia and the city of Dartmouth. When the matter came to light a couple of years ago it was understood there would be full consultation. It has become apparent in recent days that planning for the institution has advanced in a number of significant ways and without consultation with officials of the city of Dartmouth—unless our distinguished mayoress has failed to take into her confidence the aldermen for the ward concerned.

There is no question of the need for updated and secure care and treatment facilities for—and I have consulted a dictionary with respect to the correct phrase and it is expressive—the criminally insane or those who have been committed by the courts for a variety of disabilities.

It was my understanding at the outset of discussions about the location of such an institution—and there is no doubt that it is required—that it would be located in close physical proximity to the existing Nova Scotia hospital structure. I was led to believe it would not be necessary to go outdoors or use transportation to remove people who required psychiatric care from the hospital to the new institution. In other words, it was understood that a tunnel or hallway, or some other means, would be used which would combine the requirements of a maximum security psychiatric institution and those of the federal penitentiary service. It is now my understanding that the institution is to be located about three quarters of a mile away from the Nova Scotia hospital. The hospital has, of course, for many years housed people convicted by the courts who required psychiatric or psychological care and confinement. Now we have the spectre of the new institution being at some distance from the Nova Scotia hospital, which incidentally is one of the best in eastern Canada. This raises the question of security in the transportation of patients.

The questions I want answered this evening, Mr. Speaker, are these: Has the province been consulted? I assume the answer is yes, because the land is provincial. Has Dartmouth been consulted; if so, to what extent? What assurances will be given with respect to the security of the residents of the area? The proposed plan indicates that there are to be residential properties on at least three sides of the proposed maximum security institution.

What security is involved in the transportation of prisoners from the maximum security institution to the Nova Scotia hospital, for care and treatment? Is it contemplated that existing facilities of that institution will be used to treat inmates of the maximum security institution? Will this mean an additional burden, in terms of beds and patients, for the Nova Scotia hospital?

What plans does the government have to advise and consult with the residents directly affected? In other words, what is the status of the consultations and planning? It is important to know as some plans have, sort of, been leaked to the public. It is essential to know what consultation has taken place so that the fears of the residents can properly be answered. The answers to such questions can allay the fears of the residents of the area. Mr. Speaker, again I appreciate the parliamentary secretary's attending in the House this evening.

Mr. Hugh Poulin (Parliamentary Secretary to Solicitor General): Mr. Speaker, the hon. member for Dartmouth-Halifax East (Mr. Forrestall) has raised a matter which is of great concern to himself and to residents of the area he represents. The matter comes under the Department of the Solicitor General and it is the policy of the department to consult both with provincial and municipal officials. I hope that I can assure the hon. member that the province has been consulted.

If the hon. member were in my position he would see why, up to this point, there has not been complete consultation with Dartmouth, nor at this time consultation with the residents. Consultation with the municipality and the people will take place, if that is the wish of all parties, before any site is chosen for the new penal institution. In fact, in many cases penitentiary officials engage in public meetings in order to explain to local groups of citizens the plans which the penitentiary service is considering for their area.

This co-operation between federal and provincial officials is evident in all facets of correctional services. For example, in some areas, including Nova Scotia, federal officials use provincial jails to house some of their inmates. This is done in cases where it is beneficial to move the inmate and at the same time represent no threat to public safety.

With respect to plans for regional psychiatric centres, may I state the following: the Canadian Penitentiary Service plans to provide for the operation of a regional psychiatric centre in each of its five regions of Canada, namely, Atlantic, Quebec, Ontario, prairies, and Pacific. One centre is now in full operation at Abbotsford, British Columbia, for the Pacific region. One centre is now under construction in Saskatoon, Saskatchewan, for the prairie region. Approval in principle has been obtained from the Treasury Board for the construction of three more such centres, two of which are planned to replace the obsolete physical facilities now in use in Kingston, Ontario, and in Laval, Quebec, and the third to be constructed in the general area of Dartmouth, Nova Scotia, to serve the Atlantic region.

Since early 1975, various meetings were held in the Atlantic provinces between the federal and provincial governments concerned. As a result it was agreed that a

psychiatric centre was to be planned for construction in the province of Nova Scotia, to meet the needs of the Canadian Penitentiary Service and of the four Atlantic provinces, as indicated by them. The province of Nova Scotia was agreeable to this project. Subsequently meetings were held with representatives of the Department of the Attorney General of Nova Scotia for the purpose of defining the requirements of the penitentiary service treatment facilities and of defining a preferred geographical location best suited for this purpose, such as close proximity to existing professional treatment resources, namely, universities, professionals and semi-professional support.

● (2230)

Subsequently it was agreed that the federal and provincial departments of public works would co-operate in identifying potential sites for the location of the proposed centre. As an example a site was identified at Elbow Lake, and as a result of consultations with the municipal authorities this proposal was abandoned.

At present the federal and provincial departments of public works are considering two other sites and propose to consult municipal authorities as soon as the Department of the Solicitor General has had an opportunity to study the report of the Department of Public Works and has determined a possible course of action for consultations with the concerned governmental authorities.

With regard to the other questions that the hon. member raised, we attempt to find those answers for him. I see my time has run out. I cannot continue at this time.

Motion agreed to and the House adjourned at 10:33 p.m.

HOUSE OF COMMONS

Wednesday, February 18, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

NORTHERN CANADA POWER COMMISSION

REQUEST FOR PUBLIC INQUIRY INTO OPERATIONS—MOTION UNDER S.O. 43

Mr. Erik Nielsen (Yukon): Mr. Speaker, I rise to move a motion under Standing Order 43. It is prompted by a press release of the Minister of Indian Affairs and Northern Development (Mr. Buchanan) in which he instructs Commissioner Smith of the Yukon, in his capacity as Chairman Smith of the Northern Canada Power Commission, to conduct an investigation into certain cost overruns in the Yukon and Northwest Territories. The minister then instructs Commissioner Smith to convene the public utilities boards of each territory to require Chairman Smith to report to Commissioner Smith as to the investigation and report to the minister. That is like asking the Mafia to audit its own books.

I therefore move, seconded by the hon. member for Northwest Territories (Mr. Firth):

That a full and independent public inquiry be established pursuant to the provisions of the Inquiries Act to inquire into the entire operations of the Northern Canada Power Commission with full power to call for persons, papers and things and to report its findings and recommendations to this House within three months of its establishment; such findings and recommendations also to be submitted to the legislative assemblies of the Yukon and Northwest Territories respectively for approval, adoption or otherwise by those elected assemblies on behalf of the people of the Yukon and Northwest Territories.

Mr. Speaker: Order, please. Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ADMINISTRATION OF JUSTICE

SUGGESTED CONSIDERATION BY COMMITTEE OF PROVISION IN BAIL LAW GUARANTEEING FREEDOM OF SPEECH—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I, too, rise pursuant to the provisions of Standing Order 43 concerning the report of the unique and incredible decision of Mr. Justice Bélanger in the case of Dr. Henry Morgentaler, which prevents a Canadian citizen, as a condition of bail, from speaking, not merely about his pending trial, which would be unusual but not unique, but goes further and prevents a citizen of this country from speaking on a subject of general interest and importance. This is the only case of its kind in the history of Canadian jurisprudence and a clear violation of the right to freedom of speech which is guaranteed under the Canadian Bill of Rights.

I therefore move, seconded by the hon. member for Broadview (Mr. Gilbert):

That this House go on record as deploring this judicial decision and that this matter be referred to the Minister of Justice and the Standing Committee on Justice and Legal Affairs for recommendation of changes to the Bail Reform Act so that freedom of speech may receive the protection in this country guaranteed under the Canadian Bill of Rights.

Mr. Speaker: Order, please. Such a motion can only be debated with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—PROPOSED CONSULTATION WITH QUEBEC TO AVOID PROBLEMS—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to move a motion dealing with an important issue of pressing necessity.

Considering that the sponsors of LIP projects in Quebec experience many difficulties in carrying out their projects as a result of the order governing the construction trades, since those projects are temporary and do not compete with the construction industry, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House urge the Minister of Manpower and Immigration to have talks with the Quebec Minister of Labour to find a solution enabling the sponsors of LIP projects to carry out their plans without taking into account the regulations of the Quebec Labour Board and thus losing substantial amounts paid by the federal government.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there such a consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

● (1410)

[*English*]

HEALTH

REQUEST FOR EXPLANATION OF RESIGNATION OF DIRECTOR GENERAL OF RESEARCH—MOTION UNDER S.O. 43

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise under the provisions of Standing Order 43 to make a motion of urgent and pressing necessity. The Director General of the Health and Welfare Research Branch has resigned because of "intolerable interference" by officials within the department, outside the three level peer review process in selection of applications for grants under the National Health, Research and Development program. Since the minister has refused to meet a request that would put an end to the alleged ongoing interference with the research program, I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the minister make a statement on motions explaining the reasons behind the retirement of the above-mentioned director general and whether any action has been taken to remove the difficulties that led to his resignation.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 the motion can only be presented with the unanimous consent of the House.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

[*Translation*]

INCOME TAX

POSSIBILITY OF DEDUCTING MORTGAGE INTEREST—MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, pursuant to Standing Order 43, I ask the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

Since the government's proposed measures to deal with the housing shortage are inadequate and will not allow every Canadian to buy his own house, and considering that it is urgent and necessary to implement appropriate measures to cope with the housing problem, I move, seconded by the hon. member for Champlain (Mr. Matte):

That this House urge the government to allow any taxpayer to deduct from his personal income tax the mortgage interest paid on his house.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there such a consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent, the motion therefore cannot be put.

[Mr. Speaker.]

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DELEGATION FROM NEW BRUNSWICK LEGISLATURE

Mr. Speaker: Order, please. Before beginning oral question period, I know that all hon. members would want me to call to their attention the presence in the gallery of a very distinguished delegation in the form of some members of the Special Committee on Procedures of the New Brunswick legislature led by their very distinguished Speaker, the Hon. William J. Woodroffe.

ORAL QUESTION PERIOD

[*English*]

ANTI-INFLATION BOARD

REQUEST FOR APPEAL PROCEDURE WHICH WOULD NOT NECESSITATE INDICATION OF UNWILLINGNESS TO COMPLY WITH BOARD ORDER

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the right hon. Prime Minister arising out of the assurance he gave yesterday that he would increase his understanding of the appeal procedures in connection with any operation of the Anti-Inflation Board. In view of the fact that appeal from a decision or ruling of the board is available only to those who either defy or threaten not to comply with a ruling of the board, can the Prime Minister assure us that he is looking into this problem personally and that a defined appeal procedure will be set up which is direct, which does not require a party to an agreement or dispute to put himself in the position of actual defiance of the law and criminal behaviour?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, reflecting on the economy of the legislation as passed by this House, the way I see it is that the administrator is in reality the person who applies the law with all its teeth and force. The Anti-Inflation Board is the body which is enjoining, counselling, admonishing, advising, or jawboning. They have no power to impose any penalty or any binding order. Therefore, it seems perfectly normal to me that when the Anti-Inflation Board has issued its directives, completed its enjoining, its jawboning, and so on, the parties or party should then decide whether or not to listen to the admonition. If the party does not listen, the matter is dealt with in a quasi-judicial way by the administrator who has effective law enforcing powers. It is at that stage where the parties are more than counselled. It is at that stage where the parties are obligated, under the law, to follow a certain course of action; and, therefore, it is at that stage, properly, that an appeal should lie, and an appeal in effect does lie. Frankly, I cannot see the worry of the Leader of the Opposition about this being against the spirit of the legislation and justice as we practise it in Canada.

Mr. Stanfield: A supplementary question, Mr. Speaker. I must say, it is an extraordinary misfortune for Canada

that the Prime Minister is not able to see the injustice of this situation. I ask the Prime Minister how employees or groups of employees are to proceed if they consider the ruling of the Anti-Inflation Board unjust but do not wish to defy the ruling of the board? How is it possible, under present proceedings, to be in a position to appeal the ruling of the board, without putting oneself in the position of breaking the law, defying the board and being subject to criminal law sanctions?

Mr. Trudeau: Mr. Speaker, it seems to me that the persons who would break the law would be only those who are breaking it after the administrator has issued an order. The Leader of the Opposition shakes his head. I do not hear what he is thinking, but I should like him to state how he believes people are breaking the law just because they are not listening to the Anti-Inflation Board.

Mr. Speaker: Order, please. I am reluctant to interfere with this line of questioning, but it seems to me we are entering two dangerous areas: One, the interpretation of the statute and, the other, the hypothetical area as to what would happen if such and such a thing were to happen. I do not like to confine this. I shall recognize the Leader of the Opposition for a final supplementary question at this stage.

Mr. Stanfield: Mr. Speaker, I hope others will pursue this question beyond my final supplementary question.

Some hon. Members: Hear, hear!

Mr. Stanfield: Let me ask the Prime Minister simply if he believes it proper that a party to a collective agreement should be able to appeal the ruling of the Anti-Inflation Board without having to defy the board, without having to indicate that it does not intend to comply with the ruling of the board; should a party be able to do that before getting access to the administrator? Is it commensurate with our ordinary considerations of administration and justice in this country that one cannot bring an appeal unless one is prepared to defy the board, or indicate defiance of the board.

Mr. Trudeau: Mr. Speaker, having read *Hansard* of the day before yesterday, it seems to me that the Minister of Finance dealt with that in indicating that people who are appealing the ruling of the board, to use the words of the Leader of the Opposition, are those who disagree with the ruling of the AIB. This seems to me to be the normal course of procedure. I am just saying that I do not call that an appeal. I am saying that we are really changing the nature of the operation at that point. The Anti-Inflation Board is not a court of justice; nor is it even a quasi-judicial board. But the administrator is, and therefore an appeal lies from his orders to the appeal tribunal.

GOVERNMENT INTENTIONS WITH REGARD TO APPEAL PROCEDURE

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, may I direct a supplementary question to the Prime Minister? I find it difficult to believe that a civil libertarian, as he is, does not understand the injustice of the situation.

Some hon. Members: Question.

Mr. Baker (Grenville-Carleton): Mr. Speaker, does the Prime Minister not understand that particular aspect of law? Does it not appear unusual and alarming to the Prime Minister that the situation the Leader of the Opposition has described for two days to the Prime Minister has given rise in this country to an inflammatory situation? Given those facts, which must be apparent to the Prime Minister, what does the Prime Minister intend to do about them in terms of his own program?

An hon. Member: Arrange to have you deflated.

● (1420)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member is jawboning, but I cannot give a different answer to him than I gave to the Leader of the Opposition.

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LABOUR CONDITIONS

ALLEGED THREAT OF CANADIAN LABOUR CONGRESS TO WITHDRAW REPRESENTATIVES FROM GOVERNMENT BODIES

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I wish to follow up the general line of questioning to the Minister of Labour. Is the minister aware of plans by the Canadian Labour Congress to withdraw its representatives from all government advisory bodies, including the minister's own council on collective bargaining, and what steps is the minister taking to head off this further dangerous polarization within this country?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I do not think the hon. member is doing a service to either the Canadian Labour Congress or this parliament by misrepresenting what the Canadian Labour Congress said.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): The Canadian Labour Congress did not say they were withdrawing. They said they were reviewing the position with respect to these boards. There is quite a difference.

Mr. Baker (Grenville-Carleton): The minister is quite correct. There is indeed quite a difference. Does the minister not see the potential for inflammation of a very serious situation in this country that is now being aided and abetted by the Minister of Labour and the Prime Minister who is stonewalling with respect to natural justice in so far as this question is concerned?

Mr. Munro (Hamilton East): Mr. Speaker, it seems that by his unintentional misrepresentation the hon. member is contributing more to an inflammationary situation than anything I have ever seen.

Some hon. Members: Hear, hear!

Mr. Baldwin: Now we are being hit by the jawbone of the minister.

Oral Questions

ANTI-INFLATION BOARD

SUGGESTED CHANGE IN APPEAL PROCEDURE TO GIVE RIGHT OF APPEAL TO EMPLOYERS AND EMPLOYEES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. It is a follow-up to the answer he gave to the Leader of the Opposition. In his answer, the Prime Minister said there was the right of appeal after the case got to the administrator. The Prime Minister did not say that in the law, the right of appeal is only open to those against whom an order has been made. Since, as illustrated by the Irving case, this specifically excludes the right of the trade union to appeal such a decision, will the government consider changing the legislation so that the right of appeal is open to both the employers and the employees?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this is a different problem. It certainly raises a different set of answers. In view of the fact that the whole purpose of the operation is to get at the causes of inflation, it seems proper to me that the law should indicate that the actions should be against the person who is directly causing the inflation. In this case, if the employer is paying wages that are higher than permitted by the guidelines, it seems proper for the order to issue against the employer, not the employee. Therefore, it is the employer who should have the right to appeal if he does not agree with it. In the case of the employee, he is receiving money. If it is no longer paid to him, he cannot claim there has been an injustice operated against him. He is not the party who, by his positive action, is causing inflation. It is the person who is issuing salaries higher than the guidelines who is the cause of inflation. After all, the whole spirit of the legislation is to get at the causes of inflation and not those who are the victims of it.

Mr. Broadbent: Since in all situations like the Irving settlement, and we are going to get many like that in the weeks and months ahead, it is a fundamental fact that there is an agreement involved to which both parties are signatories, both the union and the corporation, is the Prime Minister saying that simply because of the way the law is now written, it is the corporation that would technically be held responsible and that the employees have no direct interest in the outcome of such a decision? If so, does he think this is compatible in any way with an elementary sense of economic justice?

Mr. Speaker: Order. It seems to me, regrettably, that the hon. member is asking both for an interpretation of the law and for an opinion by the Prime Minister as to a question of legality, both of which subjects ought to be pursued in debate.

Some hon. Members: Oh!

Mr. Broadbent: Three o'clock!

[Mr. Baldwin.]

[*Translation*]

THE CANADIAN CONSTITUTION

REQUEST FOR REPORT ON CONSULTATION WITH QUEBEC REGARDING REPATRIATION—GOVERNMENT POSITION

Mr. René Matte (Champlain): Mr. Speaker, I would like to direct a question to the Prime Minister.

Could he tell whether there have been new developments with regard to consultations with provincial premiers about repatriating the constitution? Could he also tell clearly what are his government's true intentions in this respect, and whether it is possible that everything be settled on the next visit of Her Majesty Queen Elizabeth II?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member would care to look for it, he would find that I have given a detailed answer two weeks ago to a similar question, except as regards his concern for the Queen. Perhaps I might inform the hon. member that the government of Canada and those of the provinces can act on this matter without the presence of the Queen in our country.

REASON FOR ATTEMPTING REPATRIATION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I want to ask a supplementary question of the right hon. Prime Minister.

Since we are still talking about repatriating the constitution and since several federal-provincial conferences have been held on that subject, may I ask the right hon. Prime Minister when was the Canadian constitution expatriated and whether the provinces had been consulted then. If not, why do they have to be consulted now?

Right Hon. P. E. Trudeau (Prime Minister): The hon. member is asking an historical rather than constitutional question. If he will refer to the debates that took place in the 1860's, he will see that as a matter of fact the provinces as we now know them did not exist. There was Upper Canada and Lower Canada and other colonies of British North America, and it was representatives of the people and the delegates of that time who decided, for reasons the hon. member may understand, that the constitution should be made in England, rather than in Canada. So, rather than passing the British North America Act in Quebec or in Charlottetown, it was passed at Westminster, where, I think, no representative of the Social Credit Party was sitting at that time.

* * *

[*English*]

AGRICULTURE

GOVERNMENT INTENTIONS WITH REGARD TO MILK POLICY

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Agriculture. Because of the ill-conceived dairy policy announced by the minister last April resulting in a surplus situation in

Canada today which is proving to be just as costly to the producers of this country as to the consumers—

Some hon. Members: Question!

Mr. McGrath: —I ask the minister what he intends to do about the disgraceful dumping of milk on world markets at prices cheaper than those prevailing in Canada and, further, what he intends to do about the disgraceful waste of powdered milk which is being used for animal food?

Hon. E. F. Whelan (Minister of Agriculture): As usual, the hon. member is making statements for the sake of sensationalism rather than reality as far as I am concerned.

Some hon. Members: Hear, hear!

Mr. Whelan: These facts have been known since last November when I made a statement about the fact that we were facing a surplus milk powder problem—that the dairy farmers were becoming too efficient and producing more than the domestic market could consume. Furthermore, there was a surplus on world markets. For instance, skim milk powder sold in the United States is more expensive than skim milk powder sold in Canada. The subsidy program is actually a subsidy program to consumers, not to producers, to enable them to afford to buy dairy products which, in turn, enables the farmers to stay in the dairy business. The hon. member must understand that before he makes any more of his nonsensical statements.

● (1430)

Some hon. Members: Oh, oh!

Mr. McGrath: The real tragedy in this, Mr. Speaker, is the Minister of Agriculture. In view of the fact that powdered milk prices in Canada to Canadian consumers have risen by 4.7 per cent since last July, and in view of the fact that the dairy farmers of this country are going to have to pay dearly for the minister's mistakes, would he do himself and the country a service by announcing his resignation?

Some hon. Members: Hear, hear!

Mr. Whelan: Mr. Speaker, let me answer the hon. member by saying that I did what the dairy farmers of Canada asked me to do. I developed a policy better than any other nation in the world has. The dairy farmers of Canada are some of the most efficient in the world. They have two million cows now giving the same amount of milk that three million gave only about 15 years ago. The hon. member wants to study the whole situation.

* * *

ENERGY

POSSIBILITY OF NOVA SCOTIA BEING SUPPLIED WITH ELECTRICITY FROM CHURCHILL FALLS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Energy, Mines and Resources. Since the president of Newfoundland and Labrador Hydro has stated that enough water was spilled at the Churchill Falls hydro plant last year to supply 70 per cent of Nova Scotia's total consumption, at a saving, I might add, of some 6.5 million barrels of oil, has the federal government made any plans or carried out any studies which would enable these power sources in Labrador and Newfoundland to be transmitted to Nova Scotia and Prince Edward Island, two provinces that share the dubious distinction of having the highest hydro rates in Canada?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, we have been in touch with the government of Newfoundland and had some very extensive discussions about the development of the lower Churchill. More than that, we announced about a year ago a system of grants amounting to hundreds of millions of dollars to assist them in the transmission of those new resources by tunnel as well. Unfortunately, the Newfoundland government has not yet been able to put together a composite and viable plan whereby they can bring those resources into production.

CREATION OF AN EASTERN POWER GRID—GOVERNMENT POSITION

Mr. Lloyd R. Crouse (South Shore): I thank the minister for that reply and may I ask a supplementary question. Is the federal government giving any consideration to the creation of an eastern power grid, tying together Churchill Falls output hopefully with Fundy tidal power, providing a power supply that will meet the requirements of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland as well as Quebec, thereby relieving us from the necessity of being dependent on high priced oil, which is becoming increasingly short of supply every year?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think I have already indicated that one aspect of such a grid has already been taken care of in the proposals we made to the Newfoundland government. We have also made a number of arrangements with the New Brunswick government. I am talking, of course, about the financing of the nuclear plant in New Brunswick. We have worked out an interconnection with the province of Prince Edward Island and we are in discussion with the province of Nova Scotia. We are quite prepared to sit down and try to work out with the Atlantic provinces a system of interconnection and a system that will enable them to lessen their reliance on foreign oil.

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EXTERNAL AFFAIRS

LAW OF THE SEA CONFERENCE—POSSIBILITY OF COLLABORATION WITH UNITED STATES TO EXTEND JURISDICTION OVER MARINE RESOURCES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the fact that the Law of the Sea conference is only a few weeks away and that the United States government has passed through two houses a 200 mile fishery zone, would the minister indicate whether there is any planning between the two governments to collaborate on a position at the Law of the Sea conference, and what are the objectives in this regard?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the Canadian government and the United States government are in touch from time to time, both at the ministerial and at the officials level, on questions concerning the Law of the Sea. As my hon. friend knows, it has been the view of the United States administration that the multilateral solution is the preferred one in regard to extension of fisheries jurisdiction.

On the question of extended fisheries jurisdiction the positions generally of Canada and the United States are compatible in the sense that we are both seeking to extend our jurisdiction to 200 miles. We have noted the action that has been taken by the legislative bodies in the United States, but that drama has not yet been fully played out and it is not clear at this stage at what point in time the proposed extended jurisdiction of the United States will become operative. Certainly that time is of considerable interest to Canada.

AGREEMENT WITH FRANCE ON A 200 MILE FISHERIES ZONE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): A supplementary question, Mr. Speaker. Would the minister clarify the situation in regard to separating the fishery zone from an economic zone or continental shelf? Is it the objective of the Canadian government to try at least to get agreement on a 200 mile fisheries limit? If the minister has time, would he also reply to the question of the equidistant line between Newfoundland and St. Pierre and Miquelon with a view to getting agreement with France on a 200 mile fisheries zone or economic zone?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, on the second point, I know that consultations have taken place between Canada and France. I should like to check the present state of these consultations.

EXTENSION OF JURISDICTION OVER MARINE RESOURCES ON PACIFIC COAST

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, may I ask the minister a supplementary question. I should like to ask him whether he will be making a statement in the House on Canada's stand on the extension of Canada's boundaries, particularly the line A-B in northern British Columbia and the extension through the Straits of Juan de Fuca out to the 200 mile limit, and is the minister aware that the use of the equidistant formula, that he has suggested might be used, would in all likelihood lose Canada a large portion of the salmon catch on the west caost?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, if I may secure your indulgence I should like to answer the question asked earlier by the hon. member with respect to separating out the fisheries aspect of the Law of the Sea conference. Certainly, it would be within Canada's objectives to seek a separate fisheries treaty if other important objectives were safeguarded at the same time.

With respect to the question asked by the hon. member, obviously these matters would have to be finally decided on the occasion when the Minister of State (Fisheries) and myself actually issue under the law orders in council establishing the extended jurisdiction for Canada. Before doing this or at the time it was done, we would make a statement to the House and clarify this very important point mentioned by the hon. member.

CYPRUS—CANADIAN POSITION ON TURKISH MILITARY PRESENCE

Mr. D. M. Collenette (York East): Mr. Speaker, my question is also addressed to the Secretary of State for External Affairs. In view of meetings which began yesterday in Vienna between Greece and Turkey to discuss the future of the Greek and Turkish Cypriot communities, has the minister expressed Canada's concern at the continuing Turkish military presence on Cyprus and Turkish oppression of Greek Cypriot refugees?

● (1440)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, first of all I am pleased to note the resumption of intercommunal talks between the Turkish and Greek Cypriots which are really the basis of any forward movement toward a settlement. Canada, at the United Nations, has supported a resolution in respect of the continued occupation of Cyprus by Turkish forces.

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HOUSING

ALLEGATION OWNER OF 800 RICHMOND ST. WEST, TORONTO, CHARGED RENTS HIGHER THAN AUTHORIZED

Mr. John Gilbert (Broadview): Mr. Speaker, in view of the fact that an owner of a limited dividend building located at 800 Richmond Street West in Toronto charged tenants of two-bedroom apartments in the building $189 a month in February, 1975, and increased the rent to $205 commencing in February 1976, whereas the rental agreement between CMHC and the owner of the building stipulates that the rent be $173.25, will the minister direct CMHC to have the owner return the over-payments to the tenants forthwith, and not to permit any increase in rent until CMHC and the landlord have negotiated a new rent increase based on actual cost to the landlord?

Mr. Speaker: Order, please. I wonder if it is really envisaged that any hon. minister would have this kind of detail at his command during the question period.

Mr. Danson: Mr. Speaker—

Some hon. Members: Order, order.

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THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—DATE OF DECISION ON EXPORT LEVY

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Prime Minister. Last

Friday the Minister of Finance would not say when the government would discuss and decide what to do with the export levy. Now that the Prime Minister has consented to drop in here for the second day in a row, I wonder if he could tell the House—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Lawrence: I am sorry, Mr. Speaker, not that the Prime Minister is required to come in here, but I wonder if he could tell the House—

Some hon. Members: Oh, oh!

Mr. Lawrence: I wonder if the Prime Minister could tell the House when the whole matter of the export levy will be dealt with?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I heard the Minister of Finance give a very detailed answer to this question, probably in the absence of the hon. member.

Some hon. Members: Hear, hear!

Mr. Trudeau: I would have to look up the date, but I think it was the Friday before I made that very useful trip to British Columbia.

Some hon. Members: Hear, hear!

Mr. Trudeau: The answer is still the same, that we are trying to get the provinces to agree to this voluntarily. At the meeting of finance ministers several of them objected to the export tax and various alternatives were discussed. When I was in British Columbia, we heard briefs from various groups which were suggesting alternative ways of meeting the same purpose as the export tax. We are endeavouring to discuss these with the provinces and with the various organizations involved. I raised the matter at a meeting I had with Premier Bennett of British Columbia and some of his ministers during my very useful trip out there. We agreed together that rather than have the federal government act unilaterally it would be much more profitable to continue the discussion in the way we were.

Mr. Lawrence: I can assure you, Mr. Speaker, that if those words had been said—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. If the hon. member has a question perhaps he can put it.

Some hon. Members: Hear, hear!

ANTI-INFLATION PROGRAM—DATE WHEN ALL PROVINCES WILL HAVE SIGNED AGREEMENTS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, if the statement had been made in the House rather than outside we all would be better off. If the Prime Minister had been here he would have heard his minister say that no "fresh signatures" on provincial agreements had been made, and he did say there would be several more this week. I would, therefore, like to ask the Prime Minister whether he now has any firm idea when his program will become nationwide, or whether a special first ministers' meeting is being considered by him or the government to resolve what must be very serious differences between several of the provinces and this government?

Mr. Guay (St. Boniface): You can go away for a month now, Allan.

Some hon. Members: Oh, oh!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is possible that the matter would have to be resolved at a meeting of first ministers, but for the time being I do not think so. The provinces have asked for, and been given, a fair amount of time to work out their reactions in detail to this.

Mr. Lawrence: How long?

Mr. Trudeau: The hon. member asks how long. The Premier of British Columbia asked if he could have a little time longer because he had just been elected, and it seemed reasonable for me to give him that time rather than force it down his throat. I am surprised that the opposition is urging us to act unilaterally in this matter.

Some hon. Members: Hear, hear!

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EXTERNAL AFFAIRS

REFERENCE TO ACQUISITION OF MILITARY EQUIPMENT DURING DISCUSSION OF CONTRACTUAL LINK WITH EUROPEAN COMMUNITY

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Prime Minister and has to do with discussions he had several months ago with his confrères among the European Economic Community regarding some formalized form of contractual relations with that group of nations. I wonder if I might ask the right hon. Prime Minister whether in the course of these conversations, either directly or through his officials, the question of acquisition by Canada of military equipment came up, whether this was part of the discussions that followed with officials under his jurisdiction and the several jurisdictions in Europe, and whether in fact if the question of acquisition by Canada of military equipment came up did it in fact involve naval replacement programs or tank replacement programs?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in the discussions of the contractual link or form of economic agreement or exchange with the European Economic Community this matter did not arise, or certainly not in my presence, and I doubt whether it would have arisen directly with officials. Of course, in so far as the application of economic co-operation is concerned, it is possible that certain purchases of military equipment are envisaged. I do not know, but I say they were not discussed in my presence. It might be relevant to the hon. member's question though, if I said I did discuss the question of NATO when I was in Europe, and very often with the same

people with whom I was discussing economic co-operation. It was not in the context of the Common Market, it was in the context of NATO countries. Therefore, there may be some confusion in the hon. member's mind as to the heading under which I was discussing this. I did discuss this under NATO.

Mr. Forrestall: Mr. Speaker, I wonder if I might then ask the Prime Minister if I can properly interpret his response, which I appreciate, to cover the proposition that in the eventuality of replenishment for the Maritime command, the likelihood is there will be an opportunity to participate in this replenishment program, and this would first of all be available to Canadian competency and capability?

Mr. Trudeau: Mr. Speaker, the talks I had with the leaders of these countries who are members of NATO had to do with the various roles that Canada could perform in a NATO situation. I was telling them that we were reviewing these various roles and, as the House knows, that we had some decisions to take, for instance on tanks, on LRPA's and on anti-submarine warfare and so on. The discussions I had with them were only directed to getting their reactions to various hypotheses that we were envisaging. In other words, did they think that tanks had a higher priority, for instance, than anti-submarine warfare and so on. This kind of question was discussed, but no announcement of Canadian intention was made.

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● (1450)

NORTHERN AFFAIRS

DATE OF ANNOUNCEMENT OF REGULATIONS FOR DRILLING FOR OIL AND GAS IN NORTHERN REGIONS

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Following the questions that I put to the minister before Christmas, I wonder if he has cleared up the complications to which he referred at that time, and when can the House expect the oil and gas regulations to be brought before it?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, my colleague, the Minister of Energy, Mines and Resources, and I are working very closely on this. I am optimistic that in the next few weeks we will be bringing something to our colleagues in the cabinet.

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PENITENTIARIES

REQUEST FOR REPORT ON STATUS OF PROPOSAL TO CONSTRUCT MINIMUM SECURITY INSTITUTIONS IN NEW BRUNSWICK

Mr. Maurice Harquail (Restigouche): Mr. Speaker, my question is for the Solicitor General. In view of the vote recently taken by the city council of Saint John, New Brunswick with respect to planning for security prisons in that province, could the Solicitor General inform the House what is the present status with regard to the proposed construction of minimum security prisons in New Brunswick?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, we have had consultations with the government of New Brunswick, and with the city of Saint John on placing a medium security penitentiary in the Saint John city area. They had indicated a site to us and there has been some controversy with respect to the site, but recently the city council of Saint John voted in favour of that site and agreed that we should go ahead with it. It is likely that we will go ahead with it as soon as possible.

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NATIONAL PARKS

SUGGESTION SENIOR CITIZENS BE GRANTED FREE ADMISSION—GOVERNMENT POSITION

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, I should like to direct my question to the Minister of Indian Affairs and Northern Development. On April 11, 1973 I proposed a motion under Standing Order 43 requesting that all senior citizens be granted free admission to all the national parks in Canada. Would the minister assure the House that every effort is being made by his department to allow senior citizens that privilege?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I indicated last summer that we would be making a thorough review of our fee structure this winter, and I expect to be making an announcement in the next two weeks on it. I can assure the hon. member that his representation will be given very serious consideration.

Some hon. Members: Oh, oh!

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INDUSTRY

FOOTWEAR—MEETING OF MINISTER WITH REPRESENTATIVES OF INDUSTRY

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the down-at-the-heel state of the Canadian footwear industry—

Some hon. Members: Oh, oh!

Mr. Kempling: —and the minister's recent statement that he will meet with the heads of the industry, will he inform the House if he has met with this group? If not, will he meet with them prior to his departure on his Asian trade tour?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): I met with a few of them individually last Friday. While I have not met with the association yet, it is likely I will within the next two weeks, as the hon. member has suggested.

ADMINISTRATION OF JUSTICE

PROPOSED CHANGE IN BAIL LAW TO PREVENT RELEASE OF RAPISTS

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is for the Minister of Justice. Recently in Burnaby, British Columbia, a rapist was apprehended, brought before a judge and then released on his own recognizance. The young man then went out and promptly committed a second offence. I should like to ask the minister whether the promised peace and security legislation will limit the power of judges to release apprehended rapists on their own recognizance?

Hon. Ron Basford (Minister of Justice): I hope the legislation which was passed by the House a couple of weeks ago, and is currently before the other place will be dealt with expeditiously by them, then will become law, so that changes in the Bail Act will become effective as soon as possible. It will be these provisions that will deal with the situation that the hon. member raised.

* * *

CONSUMER AFFAIRS

REQUEST FOR REPORT ON INVESTIGATION OF DUTY FREE SHOPS—REASON FOR WARNING TO CONSUMERS ABOUT PURCHASES AT DUTY FREE SHOPS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a brief question for the Minister of Consumer and Corporate Affairs. Can the hon. gentleman inform this House on the progress, if any, that is being made in investigating specific complaints into certain aspects of duty free establishments?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, first of all I want to say to the hon. member that even before I received the document he sent to my office, the newspapers were already informed of the matter. This shows that the publicity around this whole issue was more important to him than a real investigation by my office.

In any event, I immediately referred the files to the director of investigations who has the responsibility under the law, to investigate and publish his conclusions only after the investigation.

[*English*]

Mr. MacKay: Mr. Speaker, I appreciate the minister's answer, but I was not referring to my complaint but to another one of which, I am sure, he has knowledge.

Will the minister table or state briefly the reasons why he authorized a warning to consumers in the October 1975 issue of his own departmental publication entitled "Consumer Contact" which said in part:

> Some articles, like brand name cameras, can sometimes be obtained at Canadian department stores at lower prices than at duty free shops.

On what basis was this done, and was any research done by his department?

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Ouellet: The officials of my department who write articles for this publication do so in good faith and I cannot accept what the hon. member said, which seems to question the good faith and the integrity of those who prepare such articles for the department.

* * *

[*English*]

ANTI-INFLATION BOARD

STATEMENT BY CHAIRMAN CONCERNING EASIER REFERENCE OF DISPUTED DECISIONS TO ADMINISTRATOR—GOVERNMENT POSITION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister arising out of a press report this morning which quotes Mr. Pepin, the chairman of the Anti-Inflation Board, as saying that he and the Minister of Finance have "agreed to try to make it easier" to refer disputed AIB decisions to the administrator. Does that statement by Mr. Pepin, which was concurred in by the Minister of Finance, represent government policy and, if so, does this mean that the government is prepared to introduce an amendment to section 17 of the Anti-Inflation Act so that either employers or employees can appeal a decision of the AIB without getting consent from the AIB, or has the government some other procedure which it proposes to follow?

Right Hon. P. E. Trudeau (Prime Minister): What it means essentially is that Mr. Pepin, the Anti-Inflation Board and the Minister of Finance are reviewing this situation with a view to submitting various alternatives to cabinet. There is no government policy on it yet; the matter will have to come to cabinet. Personally, as I think is obvious from some of my earlier answers, I am not inclined to think that there is an injustice here. However, as the hon. member has just pointed out, the Minister of Finance is reviewing that situation and there will be a report to cabinet. If any action is decided upon, we will of course report to the House.

GOVERNMENT INTENTION WITH REGARD TO PERMITTING APPEAL DIRECTLY TO TRIBUNAL

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Is the government also considering the possibility of amending the act so that an appeal can be made directly from a decision of the Anti-Inflation Board to the appeal tribunal bypassing the administrator and letting the administrator later be the person to enforce the decisions of the Anti-Inflation Board as amended by the appeal tribunal, which would short-circuit this prolonged process and also give to both parties who feel aggrieved the right, either jointly or separately, to appeal?

Right Hon. P. E. Trudeau (Prime Minister): That is a possibility. I think it is obvious that in a country where controls are being imposed there is an evolution of thinking on this matter. I repeat that my own thinking was made clear earlier. I think the law as it is presently conceived is a good way of attacking inflation, with the Anti-

Inflation Board playing the role of enjoiner, propagandist, adviser, and so on, with legal action then being taken by the administrator and with an appeal from that. This is my feeling, Mr. Speaker. I repeat, the government does not have a closed mind on this. If we find better ways of achieving the result—and I hope we all want to have a lower inflation rate in this country—the government is open to persuasion.

* * *

● (1500)

VETERANS AFFAIRS

REQUEST FOR PROGRESS REPORT ON CONSIDERATION OF PENSIONS FOR FORMER PRISONERS OF WAR

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, my question is for the Minister of Veterans Affairs. Tomorrow, it will be one week since the promised statement on legislation implementing recommendations of the standing committee. I wonder if the minister can report on what progress he has made with his cabinet colleagues to permit him to announce the introduction of legislation to assist former prisoners of war.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, the progress has been very good to date, and possibly consultation will be completed tomorrow.

ROUTINE PROCEEDINGS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

TABLING OF REPORT OF COMMISSION RESPECTING PROVINCE OF ALBERTA

Mr. Speaker: Order, please. It is my duty, pursuant to section 19 of the Electoral Boundaries Readjustment Act, chapter E-2, Revised Statutes of Canada, 1970, to lay upon the table of the House a certified copy of the report of the Electoral Boundaries Commission for the Province of Alberta, 1976.

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

Mr. Speaker: I recognize the hon. member for Oshawa-Whitby. I suspect his point of order pertains to the difficulties about which he posed certain questions respecting the Anti-Inflation Board. I simply ask the hon. member's indulgence and invite him to delay making his representations until the conclusion of routine proceedings.

[Mr. Trudeau.]

[*Translation*]

MAIN ESTIMATES, 1976-77

STATEMENT BY PRESIDENT OF TREASURY BOARD

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I wish to present a message which Your Honour read to the House and by which His Excellency the Governor General is transmitting estimates for the service of Canada for the financial year ending March 31, 1977.

Mr. Speaker, the main estimates for 1976-77, which I am tabling today, amount to $38.4 billion for budgetary items and $1.1 billion for non-budgetary items. They include for the first time old age security and guaranteed income supplement payments, which in other years were paid out of a special account.

Throughout the current fiscal year, I have—

Mr. Speaker: Order, please. I feel the hon. President of the Treasury Board is making a statement as a minister and this calls for an answer from representatives of all political parties in the House. In addition, there will be a question later. If such is the minister's intention, I urge him to continue, if not we shall have to remain at the document tabling stage.

[*English*]

Mr. Baldwin: Mr. Speaker, it is also my impression that the hon. gentleman slipped rapidly from the tabling of documents to statements by ministers without Your Honour calling that order of business. I was assuming that was the case and that it would be subject to the usual restrictions and the rights of hon. members on this side of the House.

Mr. Speaker: Order, please. I have the indication now from the minister that it is not his intention to make a statement at this time, but simply to table the document.

[*Translation*]

Mr. Chrétien: Mr. Speaker, I feel I must make a point clear. I believe it is in keeping with tradition to make a statement under those circumstances and shall do so after meeting with the other parties' representatives. However if it is deemed preferable that I do not make a statement, Mr. Speaker, we can—

[*English*]

Mr. Speaker: Order, please. I think it is now evident that the President of the Treasury Board seeks to make a statement which, of course, will be replied to by other hon. members and there will be a question period. There are still a number of routine proceedings, not the least of which is the point of order of the hon. member for Oshawa-Whitby. Therefore, I wonder if hon. members might agree that the statement by the minister, as has been our recent practice, might be deferred until the conclusion of routine proceedings in order to permit his statement, representations by other hon. members and questions to follow.

ELECTIONS

REPORT ON WAYS OF REDUCING ELECTION PERIODS—REFERENCE TO STANDING COMMITTEE

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, on February 10 I tabled a copy of a report by the Chief Electoral Office of Canada, dated December, 1975, entitled "An examination of possible ways of reducing the electoral period". I have had discussions with the House leaders of the other parties. I appeared before the Standing Committee on Privileges and Elections yesterday and it seemed to be unanimously agreed that it would be useful to refer this report to the committee. I wonder whether the House would agree unanimously to that being done.

Mr. Baldwin: We are prepared to agree. Having in mind the way the government is going, it might be a good idea to shorten the period for an election.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we agree wholeheartedly.

Mr. Speaker: The House has heard the terms of the proposal of the President of the Privy Council. Is it agreed?

Some hon. Members: Agreed.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 3,332, 3,670, 3,763, 3,807, 3,998 and 4,016.

[*Text*]

PUBLIC WORKS—RENTAL OF SPACE—TORONTO-DOMINION CENTRE, TORONTO

Question No. 3,332—**Mr. Beatty:**

1. Does the government rent space on the top (54th) floor of the Toronto-Dominion Centre, Toronto, Ontario and, if so (a) when did it first do so (b) for what is it being used?

2. What is the present cost per assignable square foot and what was the cost per assignable square foot when first leased?

3. How many square feet are being rented and how many were rented when space was first leased?

4. When was the present lease signed and what is its duration?

5. What attempts were made to secure other less expensive space for this purpose before space was rented on the 54th floor and for what reason was it decided that this particular location would be the most suitable?

Hon. C. M. Drury (Minister of Public Works): 1. Yes (a) November 1, 1973 (b) Part by Public Service Appeals Branch (1,798 sq. ft.), remainder by Revenue Canada Regional Appeals Branch (4,500 sq. ft.).

Order Paper Questions

2. Present cost $12—Cost when first leased $12.

3. 6,298 sq. ft. current—6,298 sq. ft. when first rented.

4. November 1, 1973—1 yr.—renewed March 1, 1975 with an expiration date of May 31, 1977.

5. It is a stringent requirement of the Revenue Canada Regional Appeals Branch that it be located in the same building as the Department of Justice, and an equally desirable requirement of the Public Service Appeals Branch that they remain in close proximity to the Public Service Commission. In the past, Justice and Regional Appeals shared space on the 24th floor of the subject building, held under lease terminating on May 31, 1977. Justice needed to expand on the 24th floor which necessitated relocation of Regional Appeals. The Public Service Appeals Branch shared accommodation with the Public Service Commission in space on the 8th floor of the subject building, under lease also expiring May 31, 1977. Both branches of the Commission were experiencing expansion problems which could not be resolved in the existing or adjoining space on the 8th floor, which necessitated the relocation of one to permit the expansion of both. The subject space of this submission, 6,298 square feet on the 54th floor, was originally leased to accommodate the Airport Inquiries Commission (Pickering), the Hon. Mr. Justice Hugh P. Gibson, Commissioner, for a fixed term of one year from November 1, 1973, to October 31, 1974, under Treasury Board Minute No. 725154 dated February 14, 1974. The lease was subsequently extended on a month-to-month basis to February 28, 1975, to provide continuing accommodation for the Airport Commission and the Steel Profits Inquiry Commission, The Hon. Mr. Justice Willard Z. Estey, Commissioner, which by mutual agreement shared a common staff of officers and support personnel. Full consideration was given to the only other alternative means of providing for the requirements which was to relocate the Revenue Appeals Board and the Public Service Appeals Board into new leased accommodation in the immediate vicinity. It was readily apparent that implementation of that solution would have resulted in a much higher cost to the Crown due to the prevailing rental rates and attendant high cost of tenant improvements over a short term.

PRODUCTION AND SALE OF REPLICA HAND GUNS

Question No. 3,670—**Mr. Brisco:**

Are there any legal restraints for the production and sale of replica hand guns and, if not, are any being proposed?

Hon. Ron Basford (Minister of Justice): If a replica hand gun is not capable of being fired or adapted to enable it to be fired, it does not fall within the Criminal Code definition of firearm. There are no legal restraints under federal law concerning the production and sale of replicas and none are being proposed at the present time. There are, however, provisions in the Criminal Code concerning the use of imitation weapons. Under section 83 of the Criminal Code, it is an indictable offence to carry or possess a weapon or imitation thereof for a purpose dangerous to the public peace or for the purpose of committing an offence. In addition, pursuant to section 302(d) of the Code, every one commits robbery who steals from any person while armed with an offensive weapon or imitation thereof.

Order Paper Questions

NEHEMIAH RICHARDS

Question No. 3,763—**Mr. Cossitt:**

Has a deportation order against nineteen year old Nehemiah Richards of Toronto been delayed while the Minister of Manpower and Immigration reviews the case and, if so (a) how long will the review take (b) will the Minister agree to giving at least a minimum of one month's notice if any such deportation order is to be reinstated (c) will the Minister agree to do everything possible to permit Nehemiah Richards to obtain immediate landed immigrant status in Canada so that he can remain with his family?

Hon. Robert K. Andras (Minister of Manpower and Immigration): A review of the humanitarian circumstances involved in the case of Nehemiah Richards was completed in December 1975. The deportation order against him had to be executed, but since Mr. Richards' presence was necessary in Toronto in connection with the adoption proceedings (since he is over 18 years old) by his father, no immediate enforcement action was taken. Nehemiah Richards departed for Jamaica late in January and re-entered Canada February 5 on a Minister's Permit. As soon as immigration procedures have been completed, authority will be sought from the Governor-in-Council to land him.

DREE—NEW BRUNSWICK REQUEST FOR FUNDING

Question No. 3,807—**Mr. Howie:**

Did the Province of New Brunswick request funding from DREE over the next five years for (a) Fredericton-Westmorland Street Bridge (b) upgrading of Route 7, Fredericton to Saint John (c) upgrading of Route 8, Fredericton to Chatham (d) upgrading of Route 8, Fredericton to Newcastle (e) upgrading of Route 10, Fredericton to Chatham and, if so, in each case (i) how much (ii) how much financial assistance is DREE prepared to give?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is: In response to a request from the Minister of Regional Economic Expansion, the province of New Brunswick submitted to the Department an outline of the provincial plan for highway constructions and improvement to be undertaken over the next five years. Although the projects listed in this question form a part of the overall provincial plan, there has been no specific request from the province for DREE assistance to them. The question of what assistance, if any, might be provided is being considered in the continuing process of federal-provincial discussion regarding DREE activities in New Brunswick. (i) Not applicable; (ii) Not applicable.

PUBLIC FUNDS SPENT FOR ST. LAWRENCE ISLANDS NATIONAL PARK

Question No. 3,998—**Mr. Cossitt:**

1. What was the total amount of public funds spent for St. Lawrence Islands National Park during (a) 1973 (b) 1974 (c) 1975?

2. What is the estimated amount for 1976?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. (a) $311,000; (b) $397,000; (c) $544,000.

[Mr. Basford.]

2. $775,000.

LIP—GRANT TO CONSTITUENCY OF MACKENZIE 1975-76

Question No. 4,016—**Mr. Korchinski:**

1. What amount was originally allocated to the Constituency of Mackenzie for 1975-76 under the LIP Programme?

2. (a) What was the total amount, in dollars, of applications received from the Constituency (b) what amount was finally approved?

3. Were any funds directed out of the Constituency and, if so (a) in what amount (b) to which constituency were they appropriated and for what reason?

4. How many applications received required as much or less funds than those which were redirected and from which communities did they originate?

5. Of the amounts allocated for LIP Programmes in the Constituency of Mackenzie, were applications approved for harvesting ice and construction of ice houses and, if so, what amount was spent (a) within the boundaries (b) outside the boundaries of the Constituency and in which locations?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. $345,000.

2. (a) $774,089; (b) $345,000.

3. No. (a) Not applicable; (b) Not applicable.

4. Not applicable.

5. Yes. Two such projects were funded. (a) $133,644; (b) Nil.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions Nos. 3,577 and 3,778 could be made orders for returns, those documents could be tabled immediately.

[*English*]

Mr. Speaker: Is it the pleasure of the House that the two questions enumerated by the parliamentary secretary shall be deemed to have been made orders for returns?

Mr. Lambert (Edmonton West): No, Mr. Speaker. Yesterday I rose on this point and it was not an idle gesture on my part. I have discussed the matter with the parliamentary secretary. Today there is no reason given why this should be done. I should like to add to my reasons for raising this point. If the answers are tabled, they go to the parliamentary returns office. It is true that hon. members can go there, and if there are interested members of the press they can go there; but there are thousands of readers of *Hansard* who have no opportunity of seeing the answer.

I agree that there are occasion when this exception may be granted because answers are sometimes too voluminous, but the practice as it now stands is that the parliamentary secretary simply states the question number which is asked to be made an order for return. Not one hon. member of this House has the opportunity of going down to see what number it is, or of being consulted as to whether he agrees or not.

I have suggestions to make in this regard. The parliamentary secretary could phone the opposition whips and

tell them which questions are proposed to be made orders for return on a particular day, and if hon. members have any objection they could let him know or state whether they are prepared to accept, or reject, the request which is presently based upon the opinion only of the parliamentary secretary that the question should be made an order for return. I do not think the present method is fair. That is not the purpose of these questions, and unless we can get some co-operation I withhold my consent.

Mr. Blais: Mr. Speaker, on the same point of order—

● (1510)

Mr. Speaker: Order, please. The Chair has asked whether it is the pleasure of the House that the questions referred to by the hon. parliamentary secretary shall be made orders for returns. It is not the pleasure of the House at this moment.

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

Mr. Speaker: Order, please. With all due respect, the hon. member for Edmonton West has not raised a point of order which can be responded to. He has simply withheld his consent that the two questions be made orders for returns at this time.

Mr. Blais: May I move to motion?

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notices of motions for the production of papers No. 65 and 76 are acceptable to the government. Would you be so kind as to call notice of motion for the production of papers No. 78?

[*Text*]

COPIES OF CORRESPONDENCE RELATING TO SKY SHOPS EXPORT LIMITED

Motion No. 65—**Mr. MacKay:**

That an Order of the House do issue for copies of all correspondence between the Department of Transport and Sky Shops Export Limited of Montreal in respect of an extension and renewal of the lease for the operation of the duty-free shop at Dorval International Airport and of the granting of a lease for the operation of the duty-free shop at Mirabel International Airport.

Motion agreed to.

COPIES OF PERTINENT MATERIAL BETWEEN GOVERNMENT AND NEWFOUNDLAND RELATING TO 1976-77 TRANSPORTATION DEVELOPMENT FELLOWSHIP PROGRAMME

Motion No. 76—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all pertinent material, minutes of meetings, telegrams, letters, etc. between the government, particularly the Directorate of Public Affairs, the Department of Transport and the Government of Newfoundland and/or the Newfoundland Department of Transport and Communications and/or Memorial University with regard to the 1976-1977 Transportation Development Fellowship Programme offering individual awards of $4,650 plus tuition fees to university graduates across Canada for studies at the master and doctorate levels.

Motion agreed to.

COPIES OF ALL COMMUNICATIONS RELATING TO UNEMPLOYMENT INSURANCE AS IT RELATES TO FISHERMEN

Motion No. 78—**Mr. Baldwin (for Mr. Marshall):**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all minutes of meetings, letters, telegrams between the government and the Province of Newfoundland relating to changes in the unemployment insurance system as they apply to fishermen.

[*English*]

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): Mr. Speaker, in so far as the Unemployment Insurance Commission is concerned, a search of the Unemployment Insurance files relating to fishing regulations did not reveal any correspondence between the Unemployment Insurance Commission and the Government of the Province of Newfoundland relating to changes in the unemployment insurance system as they apply to fishermen. Therefore, we request the hon. member to withdraw his motion.

Mr. Baldwin: Agreed, Mr. Speaker.

Mr. Broadbent: Mr. Speaker, I rise on a point of order which comes—

Mr. Speaker: Order, please. I am only calling on the hon. member for Oshawa-Whitby pursuant to his notice of motion under Standing Order 26.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Matters relating to Standing Order 26 are not supposed to be called until the last item before orders of the day. We have not yet reached that point.

Mr. Speaker: Order, please. I have asked for deferral of the hon. member's point of order, as well as the minister's statement, until such time—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I have asked for deferral of both those matters until such time as we complete routine proceedings.

Some hon. Members: Oh, oh!

Mr. Speaker: The last, remaining item on routine proceedings is items under Standing Order 26, which come before orders of the day. I have asked the hon. member for Oshawa-Whitby to put to the House his notice of motion pursuant to Standing Order 26, after which I will hear the hon. member for Oshawa-Whitby on his point of order, after which we will hear the minister's statement.

Labour Conditions

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

LABOUR CONDITIONS

IRVING PULP AND PAPER—CANADIAN LABOUR CONGRESS REACTION TO DECISION OF ANTI-INFLATION BOARD ADMINISTRATOR

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I ask leave to move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes), the adjournment of the House, under the provisions of Standing Order 26, for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the revelation today of the announced intention by the executive of the Canadian Labour Congress representing almost two million Canadian workers to withdraw from all areas of co-operation with the federal government in every province, this decision arising from the now clearly demonstrated and acknowledged absence of the right of appeal under due process of law for all those affected by decisions of the Anti-Inflation Board and/or the administrator, and leading inevitably to further breakdown of civil order in Canada.

Mr. Speaker: Order, please. The hon. member for Oshawa-Whitby (Mr. Broadbent), pursuant to Standing Order 26, has given the Chair notice of his intention to put before the House the motion which he has described to the House. The Chair has had the matter under consideration for the two previous days of this sitting and on other days, as will be shown in the records of the House. In applications pursuant to Standing Order 26, the Chair has to make a basic decision, and that is whether the matter is one that is proper to be discussed pursuant to the provisions of the Standing Order; that is to say, is it a specific matter of importance, requiring urgent consideration?

Previous motions have made reference to the necessity for amendment of the anti-inflation legislation in order to cure certain alleged shortcomings. I have taken the position that such amendments ought to be sought in other ways. I have no reason to alter my thinking in that regard. Even in those rulings, however, I want to some length to indicate that there was general agreement of the House that the matter was of considerable importance; that it was of considerable scope. Indeed, it had been raised on both sides of the House by way of applications pursuant to this rule and by way of questions. In fact, in the last few days it has been the subject of questions by the Leader of the Opposition (Mr. Stanfield) and by members of other parties throughout the question period. It has been the subject of questions to the Minister of Finance (Mr. Macdonald) and to the Prime Minister (Mr. Trudeau) as well as to other members of the cabinet.

There was a problem at one time with the question of jurisdiction. That question has now been set aside. I indicated in previous rulings that there were many ingredients that made this an ideal subject for discussion pursuant to the Standing Order, except that it relates to the amendment of a statute which was passed by this House very recently and I thought, therefore, it ought not to be, in that form, the subject of discussion pursuant to Standing Order 26. The motion put forward by the hon. member for Oshawa-Whitby in this instance, however, refers principally to a different ingredient, or a different development altogether, and that is—and I quote:

—the relevation today of the announced intention by the executive of the Canadian Labour Congress representing almost two million Canadian workers to withdraw from all areas of co-operation with the federal government in every province—

The hon. member has also added some words about the basis for that decision. May I express the opinion that the opinion that the basis for the decision is not the guiding factor in this particular instance as far as the Chair is concerned, except that it does relate to the anti-inflation measures that are before the House in one way or another and, which therefore clearly ties it into the jurisdiction of this House. Surely, if such an act on the part of the Canadian Labour Congress is contemplated and is announced publicly by them, as is alleged in the notice of motion, it is not for the Chair to make an independent determination as to the truth of that but, rather, to accept it at its face value. Surely, therefore, the matter is both important and urgent.

Secondly, having considered that the matter is important and requires urgent consideration, I think it ought to be said be very clearly that it is not in the interests of this House or the interests of the country to await the actual event before extending to hon. members of this House the opportunity to express themselves—that is to say, members on both sides of the House and at every level—in advance of any further deliberations of such a serious move within the Canadian Labour Congress and in advance of any consultations which may take place between that important congress and this government.

Therefore, I fell that this subject is a proper one to be discussed pursuant to Standing Order 26. If the hon. member has leave of the House to put the motion, it would be my disposition that it be considered by the House at eight o'clock this evening.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Pursuant to the terms of Standing Order 26, I must therefore ask whether the hon. member for Oshawa-Whitby has leave of the House to put his motion at eight o'clock this evening.

Some hon. Members: Agreed.

Mr. Speaker: It is agreed and so ordered.

ROUTINE PROCEEDINGS

[*English*]

Mr. Broadbent: Mr. Speaker, I am rising now on a point of order which arises from a decision Your Honour reached in today's proceedings not to accept a question I put to the Prime Minister concerning certain aspects of the anti-inflation law. At that time Your Honour said it was your view that what was involved in the question was an interpretation of law. With all due respect to Your Honour, I should like to suggest that that was not the case. Earlier in the question period I had asked the Prime Minister a

question with reference to the same law, in answer to which he indicated general agreement on a point of law, namely, who would or would not have the right to appeal under section 30(1) of the law. That was the earlier question. There was no dispute; no question of interpretation. Just in passing, the Prime Minister indicated acceptance of an interpretation of the law on my part which was part of an earlier question.

Once the Prime Minister indicated that he agreed with that conclusion, my question to him was not concerning an interpretation of the law, but given the agreement on the point of law which was shared by the Prime Minister and myself, this was the force, if not the exact words, of my question. I asked did he not agree that it was desirable for the government to bring forward amendments to the law in order to change it so that the grievance or injustice perceived by myself and other vis-à-vis workers who are excluded from having a right of appeal might be changed? My question did not ask for an interpretation of law; it did not indicate that I was concerned about the interpretation of the law. I wanted the Prime Minister to indicate that the government might be prepared to change the law.

● (1520)

I suggest that Your Honour might reconsider your previous ruling. I know the Prime Minister at the time was rising to his feet to answer the question. If you decide that he may answer, perhaps the Prime Minister would do so.

Mr. Speaker: Order, please. With all due respect, I do not think the opportunity to reconsider is given to me. I felt that the hon. member was asking about two matters with which I had some difficulty. He asked for an expression of opinion, as to whether certain rights lie with certain people under the terms of the law; further, whether it was the opinion of the Prime Minister that something further might be done about that. I confess that I rarely interfere with questions, particularly those asked each day by lead-off members of each party. I may have been influenced in my approach to the particular matter today, in deciding that this was a matter for debate rather than a matter for the question period, by the fact that I knew, and hon. members had no way of knowing, that I intended to rule in favour of a debate on the whole matter this evening. It is not something I would take as a general indication or precedent.

Mr. Baldwin: Mr. Speaker, I rise on a point of order. May I ask if, to Your Honour's knowledge, the estimates have been tabled and if we are entitled to a copy at this time from which to prepare our questions?

Mr. Chrétien: Mr. Speaker, I am under the impression that I am to make a statement and receive comments before tabling the document. However, since someone has taken the document to the table, I can only say this: if the authorities at the table want to distribute copies of the estimates, that is their privilege. They are not under my control.

Mr. Speaker: Order, please. It would be my understanding that the document now having been tabled, it ought to be distributed to hon. members forthwith. In accordance with the earlier agreement of the House, the House will now revert to statements by ministers.

* * *

[*Translation*]

MAIN ESTIMATES, 1976-77

STATEMENT BY PRESIDENT OF TREASURY BOARD

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the main estimates for 1976-77, which I am tabling today, amount to $38.4 billion for budgetary items and $1.1 billion for non-budgetary items.

[*English*]

Mr. Crouse: Mr. Speaker, I rise on a point of order. As chairman of the public accounts committee, I have more than a passing interest in the figures to be tabled today. Can those figures be made available? I see that the page is now distributing copies of the documents to hon. members.

Mr. Speaker: Order, please. It seems to me that the hon. member's point of order was dealt with seconds ago. Copies of the document are now being distributed.

Mr. Chrétien: Mr. Speaker, representatives of the three opposition parties will receive information which will allow them to comment on my statement.

[*Translation*]

They include for the first time old age security and guaranteed income supplement payments, which in other years were paid out of a special account.

Throughout the current fiscal year, I have continued to state the government's intention to hold the growth of expenditures between 1974-75 and 1975-76 to 16 per cent or less. I am pleased to say that there now is every indication this target will be achieved. This has been done, in the face of strong inflationary pressures, only through the exercise of great restraint on new expenditures, and through the actual reductions in previously approved expenditures which I announced last June. The 16-per-cent increase in federal expenditures during 1975-76 compares favorably with a number of recent indicators for the private sector of the Canadian economy. During the third quarter of 1975, for example, business non-residential construction and business investment in machinery and equipment were expanding at annual rates of 18 and 16 per cent respectively; the growth of personal expenditures on consumer goods and services reached 14.3 per cent during the same quarter.

[*English*]

I now state my intention to keep the increase in federal expenditures under the ceiling of 16 per cent again in 1976-77. In both cases—that is, in the result now expected to be achieved for 1975-76 and in the intended result for 1976-77—I mean all expenditures, including the non-budgetary items which do not appear in the main estimates.

It will not be easy to reach this target during the coming fiscal year. While it is to be hoped that inflationary pressures will abate, they will still remain strong. Aside from the upward drift in the cost of inputs from rental payments to materials, equipment and supplies which federal departments and agencies, like other economic agents, will have to bear in 1976-77, the main estimates reflect the

higher salary and wage rates which will have to be paid under existing collective agreements.

The House should note that the average annual compound rate of increase in wages and salaries provided by federal public service agreements signed in 1975 was 14.4 per cent. Thus, the federal government's performance in this respect was somewhat better than that of other sectors of the Canadian economy. While I am conscious of the need to deal fairly with public servants in relation to other categories of wage earners, I hope that in keeping with the government's anti-inflation program, and with the co-operation of public service unions, our performance will further improve during 1976.

[*Translation*]

Inevitably, higher expenditures could not be avoided for the Department of Transport and certain agencies such as the RCMP and the Central Mortgage and Housing Corporation, which are responsible for policies to which the government attaches a high priority. In addition, a large increase in government payments to the Unemployment Insurance Account was made necessary by conditions in the labor market during 1975; and subsidies for the two-price system for wheat are included for the first time in the Main Estimates. Nevertheless, subject to unforeseen developments during the new fiscal year, I hope to keep the growth of federal expenditures below the 16-per-cent ceiling.

I would like to draw the attention of hon. members to a new summary table of the Blue Book, Table 7, which classifies budgetary expenditures by type of payments. This new table shows that the federal government, far from being the "big spender" it is sometimes said to be, is the key agent for income redistribution in Canada. In fact, fully 70 per cent, or $27 billion of the monies included in the main estimates for 1976-77 will not be spent directly by federal departments or agencies, but rather will be redistributed, in one form or another, to Canadian householders, Canadian industry or other levels of government.

[*English*]

Nevertheless, as I announced last December 18, we are continuing our efforts to curb the rate of increase in the size of the public service. I remind the House that the expansion averaged 7.1 per cent in the two-year period ending 1974-75. We initially set it at 4.1 per cent for 1975-76, but later reduced it to about 3.1 per cent by freezing part of the new manpower resources already authorized. Last fall we set a new and much lower 1.5 per cent ceiling on the growth of the public service during 1976-77. At 1.3 per cent we are well within that limit in the main estimates, and we still have a small margin to meet unforeseen requirements.

Net growth in authorized man-years was held to this low level by reducing the staff of many departments and agencies in order to be able to increase resources in others where requirements were considered more urgent because of government priorities in such fields as economic management, domestic security and essential services.

[*Translation*]

The year-to-year budgetary expansion in the Main Estimates for 1976-77 over 1975-76 is $6.2 billion. The programs which make the major contributions to this expansion, in absolute terms, are the following:

	($ Millions)
Public Debt Charges	1,075
Government Contribution to the Unemployment Insurance Account	810
Hospital Insurance and Medicare	614
National Defence	573
Old Age Security	537
Transport Ministry	291
Post Office	230
Fiscal Transfers to the Provinces (Including Contracting-Out Payments to Quebec)	226

Almost all the items I mentioned are statutory expenditures in whole or in part, which means that the government had virtually no flexibility to exercise further retraint. To put it another way, about 55 per cent of the Main Estimates of budgetary expenditures (including OAS-GIS) were of a statutory nature in 1975-76; and next year, the proportion will be 57 per cent, which, among other things, shows the control we have exercised on the non-statutory side.

● (1530)

[*English*]

Almost all the items I have mentioned are statutory expenditures in whole or in part, which means that the government had virtually no flexibility to exercise further restraint. To put it another way, about 55 per cent of the main estimates of budgetary expenditures, including OAS-GIS, were of a statutory nature in 1975-76 and next year the proportion will be 57 per cent which, among other things, shows the control we have exercised on the non-statutory side.

The 1976-77 booklet, "How Your Tax Dollar is Spent", is being distributed to all members, together with the main estimates. The booklet is a more compact version than that of previous years, reflecting our concern for greater economy. At the same time, it is a highly informative and analytical document which I am sure many will find useful.

[*Translation*]

However, Mr. Speaker, before concluding, I would like to add that some hon. members from the opposition parties, in particular my good friends the NDP members will say this expenditure budget is too restrictive, whereas the Progressive Conservative members will argue we have not made enough cuts. That is the simplest explanation I can give: when it comes to budget cuts, we should remember this popular French folk's song which says: Everybody wants to go to heaven but nobody wants to die".

[*English*]

Mr Speaker: Order, please. Before calling on the hon. member for Edmonton West, it has been our practice since last Easter that statements by ministers would result not only in a statement by a representative of each of the opposition parties but also by a period of questioning. While that practice certainly has prevailed with some considerable benefit to the House, I would suggest, in general statements by ministers on motions the fact is that the practice of introduction of estimates by the President of the Treasury Board today is part of a practice which is to initiate a whole series of questioning and studies before

the standing committees of the House about the estimates, and so on.

The President of the Treasury Board will appear before the standing committee, as will other ministers, in defence of the estimates tabled today. Certainly we will proceed with statements by opposition spokesmen in respect of the statement made by the President of the Treasury Board. While that is taking place, I wonder if some thought might be given to whether it was ever the intention, in this particular instance, for the House to attempt to question the President of the Treasury Board when he is simply initiating the practice of being questioned in one way or another for the next three months.

Mr. Lambert (Edmonton West): As far as I am concerned, Mr. Speaker, there is no point in my continuing questions. I am all right; I am in the lifeboat. I have had an opportunity afforded to me to question the minister and his officials on certain points. I hope that I can keep my remarks short. I would not like this practice basically to change from that wherein ministers are making statements. We can keep our statements short and leave our colleagues to put questions. Keeping that in mind, I think we can get along. I would prefer to start that procedure rather than on my own, at this moment, to eliminate the questions.

Mr. Baldwin: Mr. Speaker, I am inclined to agree with my hon. friend. If the minister makes a very factual and limited statement, obviously that can be responded to in the same way. If, however, as was noticeably the case here, the minister makes an exculpatory statement in which he assings to himself certain virtues and benefits about which there may be some doubt, he leaves himself open to questioning. As far as I am concerned, we do not intend to pursue that procedure at this time. I utter that as a word of caution with respect to the limited time the minister may have to occupy his present position. He should restrict the nature of his statement and not invite the kind of questions which the statement he just made does invite.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I would first like to say that I appreciate the gesture of the minister in giving us an opportunity to look at the estimates. Second, may I say that this year the version of "How your tax dollar is spent"—having had an opportunity of going through it—is a considerable advance over last year. Hon. members and the public will be well served by this document; that is, those who are looking for it.

There is one word of caution that I want to bring forward. This relates to the spirit of the comments of my colleague, the hon. member for Peace River (Mr. Baldwin), with regard to the remarks of the minister being somewhat self-exculpatory. There is a great danger at this time in looking at percentages and constant dollars. The use of percentages is totally deceptive. In addition, the practice or the method of using percentages as much as possible in the format of the old blue book is present.

Here I would like to call attention to the good work being done by the Standing Committee on Public Accounts, arising out of the Auditor General's recommendations regarding these estimates. That advantage will only appear next year and I am not going to make a statement in that regard; I will save it until we have the President of the Treasury Board (Mr. Chrétien) before us.

In the first paragraph of his statement the minister talked about $38.4 billion for budgetary items, and $1.1 billion for non-budgetary items, totalling $39.5 billion. If one goes to page 1 of the what I call the small blue book, one sees that the main estimates for budgetary expenditures, including the cost of old age security and the guaranteed income supplement, have a projected total of $42,150 million, and not $39.5 billion. We have to look for further estimates this year. There is a reserve of $1.5 billion that goes in. There is a separate item of half a billion dollars. Then there are things such as loans, investments and advances of $2,750 million, for a total of $42,150 million. That is what we are talking about for this year. When the minister talks about a percentage of 16 per cent, it is this latter figure that is being used.

If one goes to page eight of the booklet "How Your Tax Dollar is Spent", the total of columns 2 and 3 is in actual expenditures starting in 1972-73 all the way through to 1976-77 and showing the percentage increases. We see that on the basis of 1973-74 over 1972-73, there was a 24 per cent increase. The following year, 1974-75, there was a 27 per cent increase. In 1975-76 there was a 16 per cent increase, and this year there is a 16 per cent increase. With the greatest respect, that is a lot of hokum. It is worse than the shell game.

While $42,150 million is roughly 116 per cent of $36,500 million, the increase of some $5,550 million is already on something that is 116 per cent of the previous year. If there were established a base year as we have in the computation of the consumer price index, we could find out what the expenditures are today compared with what they were ten years ago, and index it. We see that today the consumer price index is something like 180 compared with the base year, 1961. If we wanted to take the $6.3 billion of expenditures by this administration in the base year 1963, and take the $42 billion estimated for this year, the index would be up by some 600 per cent. Then we could see what money they have been spending and what money they have been collecting from the taxpayer. We could see, also, on the basis of a constant dollar, the true relationship and we would be better able to determine the influence which government spending and monetary policy has on the consumer price index.

● (1540)

Hon. members should be very careful about accepting the glib figures presented to us. The minister almost sprained his shoulder congratulating himself on maintaining a rate of growth of 16 per cent—sixteen per cent of 116, and that comes to something rather lower in my book. If we turn to some of the other information which has been provided to us, we see where increases in expenditure arise. The minister has indicated that some amounted to 5 per cent, some to between 14 and 20 per cent, and up and up. There were even some that dropped. I understand that ten ministries are responsible for 80 per cent of the increases in expenditure. According to page 11 of the fact sheet, this year the Unemployment Insurance Commission is going to ask for $1,702 million, an increase of some 90 per cent over the previous year. But this does not cover 1966-67. It is not a forecast. It is merely refilling the pot, because

the unemployment insurance fund, in order to cover shortages for 1975-76, has had to borrow $310 million.

I underline the fact that there is not one member of the House who can have any influence at all in connection with the sum of $1,702 million which is to be put into the fund. It is one whole year after the event. I put it to members of the New Democratic Party, and to the Creditistes as well, that in 1972 the party to which I belong objected to amending legislation which lifted the ceiling of $800 million on these advances. If that ceiling had been left in place, the government would have been obliged to put forward a resolution in the year in which the unemployment was experienced before they could get the advance, and parliament could then have had something to say about the policies, or lack of them, which had led to the situation. I trust that nobody will spend more than 30 seconds on this particular item, because it is beyond repair. I simply express the hope that the administration will restore some sanity to it.

My last point is this. If one examines page 54 of the ancilliary book, one finds that the three levels of government in 1974 took 38.9 per cent of the gross national product. The share of the federal government was 16 per cent, the provinces' share is now up to 11.3 per cent, municipalities took 8.3 per cent, and hospital funds, pension plans and so on took 3.2 per cent. Undoubtedly there was an increase in 1975, but the latest figures we have apply to 1974. This House ought to concern itself about the share of the GNP which goes to public spending. I think the House committees, provided they do not become laden down with a lot of other junk, will be able to digest these estimates. Bear in mind one thing, though. As the minister has indicated, 70 per cent of this projected $42 billion is either statutory on non-budgetary. In other words, only 30 per cent of this expenditure is really under the control of the Minister of Finance (Mr. Macdonald) or of this House.

Perhaps the proportions should be changed if this House and parliament are to exercise a greater degree of control over year to year spending and keep a closer watch on monetary policy. It is conceivable that both the percentage of GNP which goes into public expenditure ought to be cut down and that somehow we showed increase the proportion of the annual expenditure of the Government of Canada represented by budgetary items, rather than statutory items, so that members might express a more effective opinion as to its validity.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I should like to express my appreciation to the minister for his kindness in giving us a sneak preview of the figures, thus enabling us to reach an early conclusion about them. I should also like to thank him for his solicitude in directing us to the path of heaven. I appreciate there might be some concern on his side of the House, but I can assure him there is no such concern in my party.

I should like to make something clear to the hon. gentleman. He seemed to indicate that there was not much point in the debate. He anticipated, with some degree of correctness, that members to my right in the Conservative party would attack most government expenditure, and he expected that members of the New Democratic Party would be complaining that the government was not spending enough. Mr. Speaker, despite all the years he has been here, the minister does not understand what is going on. What we object to is the direction in which he is proposing to spend a great deal of money. We do not object because the Parliament of Canada is spending more money on the old, on the sick, on research and on many of the things which make our society a better place in which to live. What we do object to is the kind of spending he is recommending to us today. For example, debt charges have risen by 21 per cent, an increase of more than $1 billion. This did not come about through an increase in the public debt alone. It arose, quite clearly—as is pointed out in the information paper before us—as a result of higher interest charges. These higher charges are a direct result of government policy, which has been to raise interest rates until they are now between per cent and 15 per cent higher than those in the United States.

[Mr. Lambert (Edmonton West).]

● (1550)

The minister then comes to us and says he is doing something about public spending, when there is a 21 per cent increase in debt charges. What good will this do? It may enrich a few people in this country, but what good does it do in terms of redistributing income, helping elderly or sick people, or providing housing? If anything, it has the opposite effect. That is the kind of spending we do not like and to which we object, yet the government seems to be satisfied with it.

We also take objection to a 90 per cent increase in unemployment insurance payments. Not because we do not think payments should be made when people are out of work. We object because we have a government, that is so inept, that so mismanages our economy that the only way parliament can find to avoid disaster is to pay out unemployment insurance instead of creating job opportunities in this country. That is the kind of worthless expenditure that is being made.

My hon. friend from Edmonton West (Mr. Lambert) may quarrel about whether it is correct to put this increase into this year's estimates or into last year's, and that is a point that some attention should be paid to. But the disgraceful thing is that the government has no other way of enabling its people to survive. The government puts in a program of hand-outs rather than providing the employment that it is the right of the people of this country to expect.

The government prides itself on holding its expenditures. It has held its expenditures all right on the elevator operator, the secretary and on other people in the public service who never got a great deal of money. But let us look at how it has held its expenditures in the Prime Minister's office. My colleague from Winnipeg North (Mr. Orlikow) in response to a question got the following information. There are eight people in the Prime Minister's office earning between $35,500 and $47,500 a year. There are two people in the Prime Minister's office earning between $54,000 and $66,000 a year. That is admirable restraint to show the people of this country! We have had legislation before us that says to people earning $10,000 or $12,000, "Restraint on you". We have in the Prime Minister's office, I am sure, talented and able people. But are they that talented and able to be worth six or ten times as much as anybody else? I do not think so. I do not think the country thinks so either, or that the country will be per-

suaded to accept the government's restraint program in face of this disparity in income.

Let us look at the growth in SX employees. Again, in response to a question put by my hon. friend from Winnipeg North, the growth in SX employees—they are employees earning between $29,000 and $66,000 a year—went from 402 people in that category in 1969 to 1,082 in that category in 1974. What are they doing—making gold? How many do you need? Other government employees are restrained, yet at the same time there is this enormous increase in people at the upper levels of government. I appreciate that there was a time when people working in the government, particularly at the senior level, may not have been receiving as much as those in the private sector. But the opposite is true now. The point of paying salaries larger than average, or normal, is to attract competent people. The complaint now is that they are overpaying people in the public service, paying away beyond what is necessary to attract able people. The proliferation of people in this category is something that must be looked at. If you wonder why there has been this growth in the non-productive sector of the public service, Mr. Speaker, it is because of salaries of this kind. Those salaries are based on size of department and number of people employed, rather than on the particular talent that people may display.

The government spends, on contract and casual employees, over $900 million. It is hard to get an itemized account of this, particularly when we have all these high-priced people in the public service, why is there almost a $1 billion expenditure on contract labour? In these estimates, the departments which have received the least assistance have been those dealing with scientific and medical research. At the same time there has been an increase in travel expenditure for senior people in the public service, from something over $1,967,000 to $4,310,000. How can one say this government has any decent priorities, when one see things of that kind?

The minister is congratulating himself that there has been an average increase in the public sector of something in the neighbourhood of 14 per cent. I say "something in the neighbourhood" because although these figures look awfully definite, they turn out to be not so definite on examination in committee. The House of Commons estimates have gone up by 19.2 per cent. Admittedly, a great deal of that is due to increased staff because of the increased responsibilities that the Commons has. But if you look at the Department of Justice you find that salaries—and essentially the cost of the Department of Justice is salaries—have gone up by 26.5 per cent.

Perhaps even that we could live with, but we find that the Senate's estimates have gone up by 31 per cent, at a time when the wage guidelines are encouraging people, indeed demanding people, to restrict their demands to 10 per cent to 12 per cent. Until these estimates were tabled, the situation in terms of people's conception of income disparity in this country was bad enough. This is one way in which we differ with our friends to the right. They are worried about the level of government spending. We are worried about who gets it, whether it is friends of the government, in the form of large hand-outs, write-offs and tax concessions, or the people of this country who are entitled to a fair share of income.

Over the last 30 or 40 years there has been no change in income distribution. If the government expects its essentially unfair program of wage and price controls—and it knows it is an unfair program—to be accepted at all, or if it is to have any chance of being accepted at all, one of the things it must demonstrate while the program is in operation is that the gap between those at the bottom and those at the top is being narrowed. There is nothing in the information tabled before us today which shows that the government either understands that philosophy or intends to take that kind of action.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to join those who have thanked the minister for inviting us to his office to look at the figures that would be discussed this afternoon.

As concerns the opinion of our party, I would like to make a few comments concerning the expenditures of the Treasury Board. First of all, I must say that we are not surprised that the minister is announcing today that the growth of federal expenditures will be limited to 16 per cent this year, since this government policy has been emphasized on various occasions. Indeed, I do not think that the government had any choice in the matter because its enormous budgetary deficit is forcing it to make important cuts in its expenditures, even if these cuts are painful, especially if it wants to support its own anti-inflation policy. The government must set an example.

But when we look at the whole situation of the Canadian economy, which urgently needs to be stimulated and stabilized, we can realize that the attitude on which the budget is based is just not good enough. On the contrary, it is timorous action which does not aim at supporting the economy, but shows that the government still maintains a defensive attitude as concerns the situation.

Indeed, these is an alarming contrast in this situation. The economy needs to be stimulated, but the government remains on the defensive, and instead of supporting the economic life, it is content with remaining an observer and hoping that things will get better late on. Where, for instance, are the employment creation programs that are needed in these days of high unemployment? Instead of introducing such programs, the government increases its contribution to unemployment insurance by $810 million. It remains inactive, it accepts to fight against inflation, to create more and more unemployment and to increase deficits, which is illogical in this situation, because the government is increasing its contribution to unemployment insurance without introducing in compensation a dynamic program designed to progressively reduce this problem by creating productive employment.

Besides, in this budget, there is a glaring problem of great magnitude, namely the $1.75 billion increase in the cost of public debt.

Who has allowed the banks and loan companies, in 1969, right here in the House, to increase the interest rate if it is not this government? At that time, the same government enacted this legislation which makes borrowing more expensive and deficit higher, thereby enlarging the yearly deficit margin which the government has to pay.

Non-Canadian Publications

The question I wish to ask is this: How long shall we allow public debt expenditures to increase? Must we keep taking more and more out of our budgets and more and more out of the manoeuvering room the government requires for efficient administration? I would like the government members to answer that question specifically and suggest solutions. If they have none, some of us may come up with one.

In short, I can say that the government is trying to remain in power, while we unfortunately know, among other things, that the country will again experience severe economic setbacks in 1976, the farm income could decrease by 20 or 25 per cent according to the experts of Agriculture Canada, and also that the consumer will be affected by various increases ranging from 10 to 15 per cent in food products alone and unemployment is still threatening.

It is wrong to believe that the government could save itself by remaining on the defensive when fused with problems and by letting conditions run out of control. I suggest that this is not a matter of political partisanship, but an administrative issue and a matter of responsibility.

As far as agriculture is concerned, today the minister has tolled his 1976-77 estimates. The 1975-76 estimates for agriculture amounted to 32 per cent, that is $612 million, but in 1976-77, they will only reach 11.9 per cent. When studying those figures, I note that two groups will be more affected than others: first, the farmers and then the Indians, because the estimates for Indian Affairs have been reduced from 29.5 to 17 per cent.

Many other items have been increased. I wonder if the government is not making a great mistake, because, in my opinion, they should know that agriculture is the mainstay of society and even millionnaires must eat. Farmers must remain in business, and get $1,1000 million have been cut from agricultural loans for example, as shown at page 275 of the Blue Book. For agricultural loans alone, $1,100 million, which means a cut of more than a third. And then they will say that they are trying to provide sound administration.

● (1600)

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISIONS ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

Hon. Jean Chrétien (for the Secretary of State) moved that Bill C-58, to amend the Income Tax Act, be read the third time and do pass.

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

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, ordinarily the proceedings of parliament at third reading would be of a routine nature and often oppositions are wont to let bills that have had committee study, report stage scrutiny, and so on, pass on a routine division; but I am sure it would be irresponsible of the official opposition if we were to permit such a course of action for this grubby piece of legislation. Bill C-58, in the opinion of the official opposition, should be referred back to the committee. A good deal of the evidence that was heard in the committee about the status of *Reader's Digest* has become irrelevant because of a special arrangement made for that magazine, presumably as a result of pressures exerted, and so on. We do not even know, as parliamentarians, whether the deal is a reasonable one within the terms of the Income Tax Act. Therefore, at some stage of this debate, a spokesman for the official opposition will be moving to refer the contents of this bill back to the committee so that representatives of the Department of National Revenue and the Department of the Secretary of State, as well as officials of *Reader's Digest*, can bring us up to date on what is obviously a very fundamental change in this legislation.

When speaking for the Progressive Conservative party at second reading, I thought I made it clear that the party had no basic argument about the various tests of citizenship which the Income Tax Act applied to publications. I said at that time—I am rather sorry to have to repeat it—that after so many years in this country it was high time that *Time* Canada and the Canadian edition of *Reader's Digest* took out, so to speak, Canadian citizenship. By a curious anomaly, *Time* was prepared to meet the test of the Income Tax Act and said so during the summer of 1975.

Representatives of *Reader's Digest* were urged, presumably, by various ministers and various members and, if I may presume to speak for him, my leader and myself to dispose of equity shares up to 75 per cent in order that they could meet the test. This was, of course, unacceptable to *Reader's Digest* until certain events transpired late in 1975 and early in 1976. We are faced with an entirely new set of circumstances, circumstances that I, for one, am not even prepared to say are wrong because we do not know whether they are right or wrong.

● (1610)

Unlike the Canadian Radio-Television Commission, the people who made the decision affecting the status of *Reader's Digest* are unknown to us. The regulations under which the deal was made are unknown to us and—unlike the case of CRTC—there have been no public hearings. It was suggested at an earlier stage of the debate that the analogy to CRTC was wrongly drawn. I have always felt that. I have always felt that the tests and the regulations should be subject to some scrutiny, that there should be some notice. It may well be that the government is right; I have no way of knowing because the whole thing is most mysterious.

In any event, we are faced with an entirely new situation because of an arbitrary rule decided upon by the Minister of National Revenue (Mr. Cullen) who told the Standing Committee on Broadcasting, Films and Assistance to the Arts that even if his ruler measurement, as it was described to us by his officials, was found to be beyond the powers of the Income Tax Act and the regulations, the minister would come to parliament with a new statute which would specify that which the courts found to be illegal.

That is how I describe the bill, the purpose of which was rather laudable, which many of us accepted at an earlier stage, but which had gone from one bad arrangement to another. I, for one, an distressed at this outcome; I feel that makes a mockery of the committee system. We go to some trouble to cross-examine witnesses or hear to evidence from various people who are called before the committee, and now all that evidence has gone out the window.

I think that on the second part of the bill it would have been well, and perhaps the debate would have been substantially shortened, had parliament had an opportunity to hear of any special arrangements made by the Federal Communications Department and the CRTC about the serious dilemma faced by Canada because of stations beyond our borders. We were told by various ministers—the Secretary of State for External Affairs (Mr. MacEachen) for one—that discussions were being held by officials. We watched these officials parade into the Lester B. Pearson Building to try to negotiate some understanding about how Canada would treat these offshore stations, and so on. I would have thought it would have been better had we been privy to the plans, arrangements, discussions and agreements. But all that came to nought. The government decided that they would set up a special status for *Reader's Digest*; they would execute *Time* Canada; they would not wait for any international arrangement about the offshore stations; and they would proceed with Bill C-58.

I think the government has a good deal to answer for. I am interested in the phenomenon that we witnessed during the past few days of members of the government and of the opposition who have serious reservations about the policy and who have the courage of their convictions. After all, this is a place where representatives of the public have to put before ministers, the government and all of us, their convictions about what is right and what is wrong, or how particular pieces of legislation will affect particular parts of Canada. I do not have any personal quarrel with the Secretary of State (Mr. Faulkner)—why would I—but I do have substantial quarrel with legislation which is so centrist in its application. It is almost a text-book case of the pressures that are on this federal experiment, of which we are all part, when members from one province in particular who are going to be seriously affected have spoken out about their frustrations. But apparently if the results during report stage are to be taken as read, they are not to be listened to; yet perfectly legitimate frustrations have obviously been expressed both in the government caucus and to the ministers' ears about the killing of *Reader's Digest* and how that would affect another part of Canada.

Therefore, ministers must not be surprised if we raise questions when an arrangement is made for the convenience of members in one part of the country which results in the saving of one of the instruments of culture, if I can so elevate *Reader's Digest*, that it is to be safe and sacrosanct under a new arrangement about which we cannot know anything because we do not know the officials who have made the arrangement. Yet other parts of our culture, namely, broadcasting, have been curtailed or cut off.

I do not hold any particular personal brief for an offshore television undertaking. I think we have to understand the pressures on the whole broadcasting system of Canada to understand what this present legislation tries to do. On the other hand, it is much too easy to expect hon. members to sit idly by and see fundamental changes made to the broadcasting aspect in the part of the country they represent, and have other hon. members who apparently are closer to government benches and therefore can have their pressures answered by a changed status of *Reader's Digest*.

I do not care if ministers and members opposite speak in this debate forever. They will never convince me, and I am sure they will never convince my colleagues, that a special arrangement was made that had nothing to do with what the government planned when it first introduced Bill C-58 with a flourish of trumpets. It is this aspect of the bill that has caused government backbenchers to express their frustration and has caused many members of parliament on this side to take what many might think a substantial amount of time venting their frustrations about special cases.

I was here when the new Broadcasting Act received general approval in parliament. I supported, and this party supported, the direction that that policy was enunciating for our country. What I particulary liked about CRTC was its openness. Obviously, every decision that is made will not find general acceptance in the country. How could it, dealing with something that is almost as pervasive as the weather? Everyone has an opinion on broadcasting; everybody, apparently, has an opinion on our educational system; and everybody seems to know where to complain.

● (1620)

However, having said, perhaps a bit trite and oversimplified, that the CRTC is made up of responsible public people, appointed in the way the statute decreed, who after notice evolved a system of regulations which were public regulations and which, if they were challenged, could stand up under what I like to call the rule of law, I say there is no element of the rule of law when special deals are made in upstairs offices. This is a mistake that a government which espouses the cause of liberal democracy should be ashamed of, and a mistake which this opposition party would be irresponsible not to resist. It is a mistake which it would be wrong of us to allow to pass without serious criticism and comment, not only this afternoon but in the days ahead.

Mr. Jean-R. Roy (Timmins): Mr. Speaker, a great deal has been said in this debate. It has been a long debate which has accomplished very little, and to my mind what it has accomplished is negative. What is more, if the slightest accommodation had been made, simply omitting the provision for the 80 per cent "dissimilar content" interpretation, there would have been no need for this long debate and no need to take up the time of the House unnecessarily: the bill would have received acceptance in a positive way.

The debate has been exaggerated on both sides. The opponents of the bill gave it overkill on the censorship issue. The bill does not present any extensive degree of censorship. The argument regarding lack of legal authority of the Minister of National Revenue, or the abuse of it, has been overdone.

The supporters of the bill have also exaggerated to a great degree. They have greatly overstated the case about the future influx of foreign publications into Canada if the bill is not passed. It is nonsense to say that without this bill our cultural identity would be in danger. It is also nonsense to say that there is a privilege involved which is extensively abused by some publishers. When it is said that this bill really does not propose significant restrictions on anyone, and that it is a minor tax bill, that is an exaggeration.

I think the answer, and the reasonable position, lies somewhere in the middle—where Liberals normally are but from where we have badly shifted with this legislation. The minister and the government have never accepted consideration of any middle-ground position. When I consider the type of mild amendments which were refused by the government—even amendments which would have been useful without detracting to any great degree from the bill—I am obliged to feel that the minister operated from a point of total inflexibility; I might even say bad will. I do not intend to be mean to the minister, but on some subjects no person is more Liberal to the point of probably being libertarian. That is why it is tremendously difficult for me to understand his inflexibility in this instance. I suppose it is always those who shout the loudest for freedom and liberty who are the first to deny them to others.

I will vote against this bill because it is totally contrary to my Liberal principles and my party's principles. It is not easy to vote against the government of which you are a member, but more than ever I am convinced that a government cannot override a person's or a party's principles. I voted against the Petro-Can bill because that was strictly socialist legislation. I am not a socialist and neither is my party. If I had wanted to support socialism, I would have joined the NDP, not the Liberal Party. I will vote against Bill C-58 because it is against my party's principles, and in my view it is a retrograde piece of legislation.

If only the minister and his officials could have found the Liberal middle-ground which would not have totally offended worthy segments of the publishing industry in this country and the principles of the Liberal party. Instead, I am afraid this legislation demonstrates total lack of imagination and I wonder if that lack of imagination is not intended in order to have the effectiveness of the legislation rest upon departmental interpretation rather than on the legislation itself.

This point was totally confirmed when accommodation was found for *Reader's Digest*. The opposition has contended that there is something shady about this accommodation, and in light of the previous inflexibility there might well be; I do not know. But it would have taken a mind completely isolated from reality not to recognize eventually that *Reader's Digest* is not a news magazine like the others. What troubles me deeply is that we are continuing a trend in the cultural field to perpetrate all sorts of inequities and injustices, and treating citizens and groups unfairly in the name of a nebulous, broad principle, while at the same time disregarding other equally or more important principles regarding the rights and opportunities of individuals who are the backbone of Liberalism. As a Liberal member of parliament, my affiliation requires that I should support the bill. As a Liberal member in principle and philosophy, my decision is not to support the bill because those principles cannot be compromised except for very serious reasons for the public good, and this bill does not address itself to any such serious problem.

There have been many arguments pro and con during this debate, but just let me discuss some of the meaningful points which argument and exaggerated and artificial verbiage or positions cannot change, and which clearly demonstrate the undesirability of this legislation. The objectors see a great deal of censorship in the bill, and the supporters see none at all. I think everyone will agree that there are at least some substantial restrictions which would be consequences of the bill. If there were not, there would be no need for the bill and its proposal in the House would be a sham. So there are restrictions which will be imposed by this bill. To whom will these restrictions apply? Most, or all, foreign publications cannot comply with the bill and will not, likely, distribute their publications into this country in any event except from outside the country. So who will the bill affect? It will affect Canadian publishers because the law will be on the books for Canadian and foreign publishers alike. Our Canadian publishers will be restricted, and let us not forget that they have no other country to run to.

It may well be that the Minister of National Revenue (Mr. Cullen) and his officials will look the other way when a Canadian publication is involved. Indeed, if they can wring out of their interpretation an accommodation for *Reader's Digest*, they can surely wring one out for a Canadian publisher. However, the fact remains that our Canadian publishers will have to face this legislation always; and it may be they who will be hurt by it, and not foreign publishers.

What about the discriminatory aspect of the legislation? There is no changing that, in spite of all the debate and arguments. Newspapers and broadcasters are not covered by this bill. The news and editorial content of newspapers and broadcasters can be totally similar to a foreign publication and nobody will say a word. Why could we not come up with a bill which at least does not discriminate between competing media elements? Surely no Liberal principle can tolerate this type of discrimination. Another fact which cannot be changed is that no other country has this type of legislation on its statute books. Are we the only government so lacking in confidence in our people and our institutions that we must be protected by such negative legislation? Are we so weak and do we place so little value on our Canadian culture that it is threatened by foreign publications? Are we slowly isolating ourselves onto an island of culture which runs away from the rest of the world? If one is to take this bill seriously, the answer to all these questions would be "Yes." Well, Mr. Speaker, I do not agree. I think we are badly misjudging the strength of our Canadian culture by measures such as this.

● (1630)

A big case was made with regard to dumping. If the 80 per cent "dissimilar in content" interpretation was not part of the bill, it would allow a continuance of the terrible dumping that now exists. We have seen the arguments stretched to the ridiculous point of comparing publications and written material with manufactured goods, and calling

it all dumping. We have heard how terrible is this published dumping of *Time* and *Reader's Digest*—except that now we have agreed that the *Reader's Digest* dumping is not that bad after all: we find that *Reader's Digest* dumping is acceptable.

If we are looking at dumping in respect of publications, where does it stop? Does the Toronto *Star*, published in Toronto, dump its papers in Timmins? Is that dumping? Does the *New York Times* dump its papers in Philadelphia? Is that dumping? It is an argument that can become, and is, really ridiculous, Mr. Speaker. Suppose for a moment that we agree it is dumping—I do not, but let us suppose that for a moment—what, then, is the consequence of this bill? I say that I accept the economic restrictions, the ownership percentage, the director provisions, and so on, but let us zero in on the 80 per cent "dissimilar content" provision. In that respect, what is the consequence of the 80 per cent content provision? The very simple consequence, and the choice we make by having this provision, is whether Canadian owners or American owners will make the profit on this alleged dumping.

Take *Time* magazine, for instance. If the 80 per cent restriction is applied, *Time* cannot comply, so they move their existing Canadian facilities back to the United States; they keep dumping, so-called, their magazines in Canada—and who makes the profit? The American owners. So with the 80 per cent restriction, Americans make the profit. On the other hand if *Time* complies with the 75 per cent Canadian ownership restriction—and they have indicated they will—and if the government were not to impose the 80 per cent restriction, what would happen? *Time* keeps its Canadian facilities, it can comply with the act and its new, 75 per cent Canadian owners make the profits on the so-called dumping. And make no mistake, we are talking of practically the same material and the same dumping in both cases. Mr. Speaker, without the 80 per cent content restriction we even conserve the editorial staff in Canada and the Canadian section of the magazine.

The issue is very simple. With the 80 per cent content ruling, Americans make the profit; and without it, Canadians make the profit. Surely it does not take a genius to realize what our decision should be on the 80 per cent ruling under those circumstances. The 80 per cent ruling loses us a great deal and gains us nothing in terms of profits and published material. Taking away the rhetoric, the artificial and forced arguments of the debate, we are left with these facts. The people who will be restricted by the legislation are mostly Canadians. The bill introduces discrimination between different competing segments of the media industry. No other country has adopted this kind of negative legislation. Finally, the profits are Canadian without the content restriction in the bill, and they are American with it in the bill.

I have no time for the people who complain about lobbying, Mr. Speaker. I think all they are saying, in a very narrow-minded way is, "Don't bother me with the facts and figures; I want to make a decision in my own way without knowledge of the case". Nor do I have any time for the people who have based their decision on whether or not the profits of the publishers were high, excessive, or whatever. It has always been my experience that those who criticize and profit the most are not necessarily socialists but people who have never invested a cent in the potential of Canada in any way.

We have been told on several occasions that if we would only read the committee proceedings we would be totally illuminated and would understand everything. I have read the entire committee proceedings and I have attended some of the sessions—as an observer, of course. Those proceedings did not change my mind. I made the necessary allowances for the testimony of vested interests for both sides, I tried to separate the substance from the fiction, and I noticed the large percentage of media background people who formed the government's side of the committee; and I do not say this disparagingly, because I have the greatest respect and admiration for my colleagues. However, surely they would accept that their interest in a sense could not be impartial. They are not, after all, Solomon. Under those circumstances, is it not just possible that the committee study on our side was, to a degree, distorted? After reading all the proceedings, Mr. Speaker, I find we are still left with a bill that is contrary to our Liberal principles and which cannot be justified in light of those principles.

The bill, very obviously, was aimed at two publications—and later only one. If it had been aimed at 50 publications, however, it would still have been contrary to my Liberal principles. When you want to help and assist someone or some industry, you do it in a positive way, not by restrictions. If we want to aid Canadian publishers, then we should find a positive way in which to do it. We should not do it at the expense of someone else.

Some hon. Members: Hear, hear!

Mr. Roy (Timmins): In committee, Mr. Zimmerman made what I consider to be a very telling statement. He said something to the effect that if the government wants to help the Canadian publishing industry, why not give 10 per cent of the CBC budget to those publishers and they would then have more money than they could ever hope to gain from the total of *Time* and *Reader's Digest* advertising.

Some hon. Members: Hear, hear!

Mr. Roy (Timmins): Just 10 per cent of that monstrous, costly $350 million—I retract that, because in the estimates tabled in the House today the CBC budget is up to $415 million—would mean $41 million to the publishers of Canada and it would not even touch the level of expenses of CBC. It just makes me shiver to think of that particular budget, Mr. Speaker. I think Mr. Zimmerman is right. I think we could take half of the CBC budget and put in into other endeavours. Most Canadians would highly applaud such a move.

In conclusion, Mr. Speaker, the Prime Minister (Mr. Trudeau) was quoted in committee, and I think his words bear repetition here. The irony is that the quotation comes from *Maclean's* magazine of October 20. This is what the Prime Minister said:

> —for me, I am afraid of the word "nationalism"—particularly economic nationalism, though it applies to cultural nationalism too—is very often a vehicle of the ruling classes to transfer wealth to themselves. In the case of culture, you put tariffs on culture because you want the people to have the culture as defined by you. Now you can and would come back and say that you have taken some "nationalistic measures". I'd say that the test of them is always: are they by and large good for the mass of the people, or are they something which is brought in to protect a

small elite group? And to me that is the test, whether it be economic, cultural or even military nationalism. I think the duty of the state is to protect its citizens and to promote a greater exercise of their liberty.

How anyone can reconcile that statement with this bill, I will never know. In conformity with the Prime Minister's statement, I shall vote against this bill. To my mind, it does not meet the test: it does not protect our citizens or promote a greater exercise of their liberty.

● (1640)

Mr. James A. McGrath (St. John's East): Mr. Speaker, the hon. member for Fundy-Royal (Mr. Fairweather), lucidly and logically, put forward the position of my party. I have great admiration for the position taken by the hon. member for Fundy-Royal. I know that this bill troubles him. Essentially, he is in favour of some kind of positive action to help the Canadian magazine publishing industry. That has been the stance of the hon. member ever since I have known him, and his point of view is known throughout Canada. My colleague is a reasonable man and looks on this bill—as we all do, regardless of our position—as overkill. Clearly, it is overkill. It is counterproductive and will not assist the Canadian publishing industry.

What will it do? It will eliminate the Canadian section of *Time* magazine and the 45 jobs of Canadians who prepare that Canadian section. But we shall still continue to receive *Time* if we want to: *Time* will still be published and sold to the Canadian public on newsstands and will still be sent to subscribers who want to receive the magazine. Advertisers will still advertise in the magazine, but the cost to the advertiser will have to be reduced to offset the detrimental aspects of the bill; and, of course, costs to the subscriber will rise to compensate for that loss. I listened, also, to the constructive speech of the hon. member for Timmins (Mr. Roy). I know that many on the government side share his views, and before the bill is given third reading I hope we shall hear from those hon. members.

I am concerned about what the bill in its present form has done to our legislative process and to the committee system. I might be well to reflect on the progress of this bill. Closure was imposed on second reading. I do not deny the government's right to impose closure after reasonable debate. Then the bill was given clause by clause examination in committee. The discussion was really on one clause, this being mainly a one-clause bill to do with an amendment to the Income Tax Act. Again, in committee, we found ourselves operating under the constraint of closure. We were given barely one month in which to hear witnesses from the publishing industry, the specialized magazine industry and the broadcasting industry. I submit that was not enough time.

During the committee hearings we asked for the principal witnesses appearing for *Time* and *Reader's Digest* to be recalled. Insufficient time had been allowed for the examination of these important witnesses and the important briefs they wished to present. But the government imposed its rigid discipline. I have never previously experienced such discipline. The result was that we were denied the right to recall those witnesses.

We examined the Minister of National Revenue (Mr. Cullen), during the course of those hearings, on the ruling he had made in October on what constitutes a publication under the Income Tax Act that is essentially the same, or substantially different. We examined him on the so-called Cullen rule, the "80 per cent different" rule. Mr. Speaker, had the government stuck with its initial proposition perhaps I could understand the exercise through which we are going today. But it changed the rules.

Mr. Fairweather: They got greedy.

Mr. McGrath: The Minister of National Revenue, and the Secretary of State (Mr. Faulkner), on behalf of the government, intimated to *Reader's Digest* and *Time* that in no way would the government change this rule. The bill was reported back to the House; then we discovered that an accord had been worked out with *Reader's Digest*. What do such actions do to our process of committee examination? Yet, Mr. Speaker, I see an hon. member opposite smiling.

Clearly, Liberal members from Quebec, and especially other Liberal members who are troubled about this bill, made their views known in caucus. They persuaded the Prime Minister (Mr. Trudeau), the Minister of National Revenue, and the Secretary of State, to reach an accord with *Reader's Digest*—and rightly so. *Reader's Digest* has been a good corporate citizen of Canada, employing directly 500 of our citizens and indirectly another 1,000, and spending a great deal of money in this country to support Canadian publishing. An accord was reached.

The present bill is aimed essentially at *Time* magazine. In view of the announcement of the Minister of National Revenue that an accord had been reached with *Reader's Digest*, is it not logical and reasonable for those who examined the bill in committee to expect it to be sent back to committee in order that committee members may again examine the Minister of National Revenue and discover what brought on his conversion, examine again the Secretary of State and re-examine witnesses from *Reader's Digest* and *Time*?

Time made a reasonable request which was reflected in an amendment moved in committee but rejected by the minister. The request was for a one-year extension during which the magazine could return to the planning tables and see if it could achieve a format which would adjust to the Cullen rule. That request was denied. They asked for only one year. They had demonstrated to us that they were willing to live with the Canadian ownership requirement; but, being an international news magazine, it would be impossible for them to work under the constraints of the so-called Cullen rule. Indeed, no news magazine in the world can be expected to function, let alone publish, in that fashion.

As I say, the magazine was denied that right, it was denied that request, even though at a meeting in April last year with the minister's predecessor who is now the Minister of Justice (Mr. Basford), an understanding was arrived at as to the definition of "substantially the same." *Time* was prepared to live with that definition on the basis of their understanding. It understood that "Canadian content" involved between 50 per cent and 60 per cent. It was prepared to live with that definition and was planning to produce a magazine with considerably more Canadian content, a magazine which would reflect the Canadian perspective on the international coverage of the magazine. I

call that real progress. After all, this bill attempts to Canadianize an essentially American publication; it attempts to make it conform to our laws. It wants to make *Time* a Canadian magazine. I submit the present bill is overkill.

After *Time* had prepared mock-ups of the new magazine and said it could live with the definition of "Canadian content," suddenly, in October, the roof fell in. The Minister of National Revenue announced that "essentially the same" meant about 80 per cent the same. I say this is overkill. Frankly, I should like to examine the publishers of *Reader's Digest* and learn how they can live with the new definition. I am glad they can live with it, glad we will continue to receive *Reader's Digest* in this country, glad that that good corporate citizen of Canada will continue to contribute to this country's publishing industry. But what will happen if a new minister of national revenue appointed tomorrow, decides he does not care for the present definition and wants to change the rules? I would say that is a very uncertain future to put any company in, especially a company that has tried so hard to live within the rules, to be a good corporate citizen and make its stock available to the people of this country. I do not understand the attitude of the government.

● (1650)

A lot has been said about specialized magazines such as *MD, Canadian Doctor*, and so on. I will not go into that subject. There is no way in which the medical profession in this country can sustain the publication of these specialized magazines which bring to our medical profession ideas from around the world.

Let us talk about what this bill does and what the Cullen rule does to the bill. It changes the bill. This is not the bill that we had on second reading. This is not the agreement we arrived at during committee stage. This is a whole new situation. We recognize and respect the right of the government to make this definition. That is the rule of the Minister of National Revenue and his officials. However, we have a definition of such proportions as to arrive at an accord totally opposite to what we were told in committee. Surely, in light of that situation, we are entitled to go back to committee and examine the Minister of National Revenue and the Secretary of State. Perhaps an accord can be worked out with *Time* magazine; who knows? We had only a very brief opportunity to examine the publishers of *Time* magazine, and an equally brief time to examine the publishers of *Reader's Digest*, the two principals in this bill.

I believe this is bad legislation. What concerns me even more is that it is setting a very bad and very dangerous precedent. Why did the minister not come before us in committee and say he was prepared to work out an understanding with *Reader's Digest* and *Time* to see if they could live within his definition of what constitutes "essentially the same"? Such an understanding is not beyond the realm of possibility. We know that now, as a result of the fact that the government finally recognized *Reader's Digest* as being a unique magazine. As a digest, it is unique; it is without competition. As a digest, it would obviously have to bring in articles from publications all around the world. In recognition of the uniqueness of *Reader's Digest*, the accord was arrived at.

I submit that *Time* magazine is also unique, with its substantial, international news gathering capacity which no publication, given the limitations placed upon it by the Canadian market, could afford. No Canadian publication could afford the international news gathering capacity of *Time* magazine. Yet this magazine, which has tried to meet the provisions of the legislation, has tried to operate within the framework of the new law and was prepared to become 75 per cent owned in Canada and had in fact worked out an understanding with potential purchasers, has suddenly had the rug pulled out from under it.

What we are left with is some kind of backdoor accord as a result of pressure on the minister by his own colleagues which will allow *Reader's Digest* to continue at least until we get another minister of national revenue. The Canadian edition of *Time* magazine which we now know will be lost to this country. Perhaps it will not be long before *Time* magazine ceases to publish in Canada and has its printing work done in the United States, as is the case with *Newsweek, U. S. News* and *World Report* and some of the other American news magazines which get into the Canadian market. If that is progress, if that is helping the Canadian publishing industry, I have to be convinced, and I submit that many members of the House still have to be convinced.

We are worried about this bill. We are worried about what it does to parliament. I look at the hon. member for Vancouver Kingsway (Mrs. Holt) who has a contribution to make with her substantial background in journalism. She has made a contribution to this debate but was denied the right to make that contribution in committee.

Mr. Breau: That is untrue.

Mr. McGrath: That is true. I have it on the hon. member's own word. The only time the hon. member for Vancouver-Kingsway was heard in committee was when I moved a motion and it was passed by a majority of the members. That is true, and the hon. member must accept the word of his colleague, the hon. member for Vancouver Kingsway. What about the hon. member for Cochrane (Mr. Stewart)? The hon. member seems to want to know the facts. He was the chairman of the committee for four or five years, and he was denied the right—

Mr. Breau: Madam Speaker, can I ask the hon. member a question? Is the hon. member not aware that any member of the House of Commons, regardless of his party or standing on the committee, is allowed to be heard in committee regardless of whether he has the right to vote?

Mr. McGrath: Madam Speaker, the hon. member who just took the floor, the former parliamentary secretary, has been around here long enough to know better. He knows that members of the House who are not members of the standing committee may only be heard after all other members of the committee have been heard, and because we were operating under closure the hon. members could not be heard; there was no time.

Mr. Breau: You are wrong.

Mr. McGrath: The hon. member for Vancouver-Kingsway was denied the right to be heard, and she stood in her place in this House and said so.

Mr. Breau: You just admitted you were wrong.

Mr. McGrath: I say now that all the arguments in the world would not make you understand, because you are so partisan that you would not understand the facts.

Mrs. Holt: I rise on a point of order, Madam Speaker.

The Acting Speaker (Mrs. Morin): Before recognizing the hon. member for Vancouver-Kingsway (Mrs. Holt), I must remind hon. members that they are to address the Chair and not individuals on the opposite side.

Mrs. Holt: Madam Speaker, since I have again been brought into this debate on this issue I would like to clarify it. I was occasionally allowed to be heard, if there was time. That was all. I was not allowed to make motions or to vote, which, after all, is the most important part of my role in parliament.

The Acting Speaker (Mrs. Morin): Order, please. That is not a point of order but a matter of debate.

Mr. McGrath: I hope, Madam Speaker, that will settle the argument, because I am sure even the hon. member for Gloucester (Mr. Breau) will have to accept the word of his colleague, the hon. member for Vancouver-Kingsway.

Mr. Guay (St. Boniface): Madam Speaker, on the same point of order—

The Acting Speaker (Mrs. Morin): It was not a point of order.

Mr. Guay (St. Boniface): On a point of order, Madam Speaker, I just want to make it clear to the House—and this is common knowledge—that when a member is not on a committee he is entitled to discuss but surely he should not be entitled to move motions when he is not a member of the committee. On that I have to agree with the hon. member.

Mr. McGrath: All I know, Madam Speaker, is that the record will show that the only time the hon. member for Vancouver-Kingsway was heard in a substantive way and allowed to make a contribution was when I moved a motion that she be heard. The government members on the committee abstained. The majority, which happened to be the opposition as a result of the abstention, carried and the hon. member was heard.

I submit to the minister, who is not now in the House, that he consider withdrawing this bill. Give us an opportunity to go back to the committee. Give us an opportunity to recall the representatives of *Reader's Digest* and *Time*. Give us an opportunity to examine these important witnesses in the context of the new definition which may make it possible for *Time* to continue to publish in Canada as before, with some modification. What concerns me most is that we can never again take seriously the government's intentions with regard to the examination of bills before committees. It is a farce; it is a charade; it is an utter waste of time. Members put in many hours of hard work in committee in connection with the bill before us. The sittings were particularly arduous, having regard to the restraint placed on us by closure. We were denied the right to recall a number of witnesses whose evidence would have been most valuable.

● (1700)

As to the radio and television aspect of the debate, I may say I have no brief for the border stations. I believe the time has come for the loopholes in the Income Tax Act to be closed to protect Canadian broadcasting. But if a special case can be made for *Reader's Digest*, I suggest that a special case can equally be made for KVOS, a station which is unique, a station which voluntarily follows the restrictions imposed by the CRTC, which complies with all the requirements of Canadian law and which operates essentially as a Vancouver station. I believe the House deserves the right to explore further the aspect I have mentioned in the context of the accord which has been entered into with *Reader's Digest*.

I know the House will have an amendment before it and I am sure this amendment will commend itself to the well-meaning members on the government side who are just as concerned about this issue as I am. I refer especially to the hon. member for Ontario (Mr. Cafik) who made such an outstanding contribution to this debate. He put forward a constructive amendment at the report stage, but unfortunately it was rejected by his colleagues. I refer, also, to the hon. member for Timmins who has spoken on third reading and who also made an outstanding contribution during the report stage. He is another who saw his amendment rejected; its intention was to save certain special publications such as *MD*, Canada. I hope our amendment will commend itself to a majority of the House. Perhaps it will not even be necessary. Perhaps there will be another meeting of the caucus of the Liberal party at which the Secretary of State, that immovable force, will be prevailed upon to withdraw this bill with provision that the subject matter be referred back to committee.

I believe we deserve the right to examine the minister on the accord he has entered into with *Reader's Digest* and question him as to the possibility of reaching some similar accord which would allow *Time* magazine to continue to publish its Canadian section and, who knows, even to live within the so-called Cullen rule.

Mr. Peter Stollery (Spadina): Madam Speaker, I wanted to take a few moments at the third reading stage of Bill C-58 to put a few remarks on the record. For some months now we have been discussing this bill at the report stage, committee stage and second reading, and I think some of the attempts that have been made to distort what are two fairly straightforward principles are objectionable to a number of members, among whom I include myself.

I think the public has been misled by members of the opposition. I feel that the remarkable distortions that have been made in two fairly straightforward principles should be responded to to some extent. The two fairly straightforward principles, as I see them, are that first, as the O'Leary Commission concluded so many years ago, the Canadian publishing industry cannot succeed so long as it must compete for revenue with branch plant operations of foreign magazines. That principle was established by the

O'Leary commission in 1959 or 1960. The second principle is that the tax laws of Canada should be the same for everybody. That is what Bill C-58 is all about. I find it remarkable that it should take two months of the time of the House to deal with these fairly obvious and reasonable principles of government.

Some hon. Members: Hear, hear!

Mr. Stollery: The hon. member for Fundy-Royal (Mr. Fairweather) a few minutes ago referred to «a grubby business». I do not think a man as well known as he is for his fairness should call fairer tax laws and legislation dealing with equitable tax laws a grubby business. I think it is important business which should be done with dispatch, and I am sure there are others here who agree with me. The public, I am sure, if they had listened to the speeches I have listened to—and I am a member of the broadcasting committee which dealt with this bill, I believe it was before Christmas—some of the comments about censorship, and some of the rather circuitous arguments which have been made in opposition to Bill C-58, would be in a state of confusion. I think they have been misled and deceived. I think it is positively shameful that members should take the time of the House to act as lobbyists for a couple of foreign publications and to make statements which simply are not true.

I think it is appropriate to put on record the facts with regard to *Reader's Digest*. *Reader's Digest* is a magazine which, theoretically at least, does not employ writers directly. I say «theoretically» because we all know from reading *Reader's Digest* that occasionally it does hire writers directly. But the principle is that they take articles from other magazines, dilute them, edit them and publish them in a variety of languages in a variety of countries around the world. *Reader's Digest* maintains a pool of articles which it purchases from many hundreds of magazines in many different countries. When you sell an article to a magazine, as I am sure many members know, on the cheque it says «For first world copyright rights». *Reader's Digest* buys the other rights, the second rights, the rights to republish that article.

● (1710)

As I say, they do this on a monthly basis. They edit the articles and maintain a large pool of them. The articles are then purchased by the various affiliates of *Reader's Digest* around the world and there is some form of intramural payment that is an accountancy arrangement between the parent magazine and its subsidiaries. Any author is, of course, very happy to have second publication rights purchased. In fact, an author will consider himself fortunate to be able to get extra money for an article that he was, I am sure, happy to have bought in the first place by the original publication.

When dealing with the very complex question of a digest, a magazine that does not initiate articles of its own, the Minister of National Revenue (Mr. Cullen) said that *Reader's Digest* in Canada may obtain 20 per cent of its articles from the pool of articles that is maintained by *Reader's Digest* international. Some of the remaining 80 per cent of the articles used in *Reader's Digest* may be obtained from the pool of articles maintained by *Reader's Digest* international because *Reader's Digest* international controls the rights to articles supplied to most magazines around the world. But if the Canadian *Reader's Digest* under the 80 per cent rule obtains articles from the pool, it must pay the going commercial rate. This can be as much as $1 per word, and the editing of the article must be done in Canada.

That, Madam Speaker, seems to me to be a reasonable definition of a digest. It deals in what are called third party publications. It is a very complicated concept to understand, and I must confess that when the arrangement was first arrived at and the decision was announced by the minister I had to think about it a little bit. At first you do not realize that you are not dealing with a magazine but with a publication which provides nothing but covers for edited articles from other magazines. It is a sort of classic comic of the magazine industry. You do not read the original article in *Reader's Digest;* you read an article that has been purchased from somebody else and has been cut down to make it short and snappy, and it is then sold to us by *Reader's Digest*. As I say, I think the minister made a very reasonable decision, faced with this very complicated problem of dealing with a digest.

Some hon. members have created the impression that a similar arrangement could be made with *Time* magazine. *Time* does not buy articles from other magazines or other publications.

Mr. Friesen: I rise on point of order, Madam Speaker.

The Acting Speaker (Mrs. Morin): Order, please. The hon. member for Surrey-White Rock (Mr. Friesen) is rising on a point of order.

Mr. Friesen: Would the hon. member for Spadina (Mr. Stollery) entertain a question?

The Acting Speaker (Mrs. Morin): Would the hon. member for Spadina allow a question?

Mr. Stollery: No, Madam Speaker.

The Acting Speaker (Mrs. Morin): It is not allowed.

Mr. Stollery: If the hon. member would like to ask me a question, he can do so when I have finished. In the meantime, I should like to have the time to try to explain to him something that he obviously has not been able to understand, namely, how the minister's decision will work in practice. As I was saying, *Time* is an original publication which originates in the United States, with the exception that Canadian *Time* currently carries some four pages that are written in Canada. I think it is fair to say that when *Time* magazine officials appeared before the committee, I asked them why in the 11 years they have been operating under the threat of some change in our tax legislation they had made no attempt to enlarge the Canadian section. The president of *Time* Canada replied that there had not been any legislation to force them to do so, so they had not seen any reason for making some effort to try to Canadianize their magazine. Surely if any piece of evidence was damaging to their claim that they needed time to make changes, it is the fact that in 11 years they had made no changes whatsoever; that they had made no attempt to Canadianize the magazine.

This debate has concerned itself with two publications, *Reader's Digest* and *Time*, both of which are entirely separate magazines. They have nothing in common except that until now they have been branch plant operations in Canada, based in the United States. I think any attempt to try to confuse these two separate operations is misleading and is based on fallacy. As I said at the beginning of my remarks, the idea that we should not have fair and equitable tax legislation in Canada is very difficult to understand. It is simply fantastic to suggest that more time than 11 years is needed to straighten out this inequity. The suggestion simply lacks credibility.

I did not want to take long to put these few remarks on the record, but having spent the last month or two listening to complete fabrications and to uninformed comment, may I thank you, Madam Speaker, for giving me the opportunity of putting what I consider to be the facts on the record.

The Acting Speaker (Mrs. Morin): Is the hon. member for Surrey-White Rock rising to ask a question?

Mr. Friesen: Yes, Madam Speaker.

The Acting Speaker (Mrs. Morin): Would the hon. member for Spadina allow a question?

Mr. Stollery: Yes, Madam Speaker.

● (1720)

Mr. Friesen: Madam Speaker, I appreciate and thank the hon. member for Spadina for giving us this lengthy explanation as to how the regulations work. I should simply like to ask him how his explanation now is different from his explanation when we were in the committee?

Mr. Stollery: As far as I am concerned, Madam Speaker, we could have finished with this business some time ago, as I do not think the position has changed since we were in the committee.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Madam Speaker, it is not my intention to extend this debate which has been long enough, but I think it is the duty of members of Parliament to consider Bill C-58 very closely. However, before the House gives this bill third reading and before it is definitively adopted on third reading, I wish once more to express my views on the bill and also on the various events that took place in committee when this legislation was studied, both at the report stage and on third reading.

Madam Speaker, I remember quite well that during the second reading, I said to this House and to this government that I could not understand how it was possible that an act which had been presented in 1965 by this same government, this same political party, could be put again in 1971. In 1965 and 1971, it seemed right to grant some privileges to Canadian advertisers announcing in supposedly American magazines which were published in Canada, and which in some ways could be considered and were then considered as Canadian publications and magazines.

Madam Speaker, during that discussion, I had simply brought to the attention of the government that Canadian publications were defined so that they did not come under the rule established by the department. As a matter of fact, publications owned in a proportion of 75 per cent by Canadians were considered Canadians.

However, there was an exception for periodicals which in 1965 were written in whole or in part in Canada, and that was the case of both magazines mentioned in Bill C-58. At that time, I had simply suggested that the government apply the law as passed in 1965. That seemed to meet the aspirations of Canadians and also satisfy the people running those magazines. Why come back on that question? We were told that it is to allow Canadian advertisers to have the benefits of that act, those exemptions, and at the same time invite Canadians to publish more magazines in Canada that would also be entierely owned by Canadians.

I think that the act of 1965 which was introduced in this House by a member of the Liberal party must have been considered at that time and examined even in the caucus of the Liberal party. There was agreement to introduce that legislation in the House and that it was entirely reasonable at that time, in 1971. So, why that about face in 1976? That is what I am seriously wondering about, Madam Speaker. What occult powers intervened so as to force the hand of the government to introduce an entirely different legislation and be in opposition with the legislation passed in 1965 and 1971? Furthermore, I wonder quite seriously about the fact that in the course of the discussions on Bill C-58, a great deal of representations were made to Canadian parliamentarians of all parties by the leaders of *Reader's Digest* magazine to urge them to fight this bill because they considered it unfair to them and they should by all possible means oppose its passage.

Madam Speaker, I am surprised that in the last few days, the leaders of that same magazine seem to have changed their attitude without any change being brought to Bill C-58. According to the statement by the Minister of Revenue (Mr. Cullen), they now seem to be satisfied with that legislation and we are now being asked to give it our support and pass it as soon as possible. Madam Speaker, I cannot change my mind as quickly as that. I am a responsible parliamentarian who must consider very carefully all legislation introduced in this House and receive in a very objective way the representations made by people or groups about such or such a legislation. It is our duty to take those into consideration and I do not accept anything unless we are given valid explanations that we should be asked at a certain moment on third reading of this bill to give it our support and accept it as such.

Madam Speaker, I am convinced after listening in this House to the speeches made by members of all parties who express themselves freely, and even on the government side, we saw a truly serious position being taken that goes against passage of this bill. Madam Speaker, I said: or the government side. I may not have expressed myself clearly, because power does not always mean majority. The Liberal party may have a majority in the House but that does not necessarily mean that they are in power, because I have often felt that the real power was in the hands of persons outside this House, with the result that stands are sometimes taken which are not always in accordance with true ministerial responsibility, and the real responsibility that power entails, from a strictly democratic point of view.

So, Madam Speaker, for all those reasons, I seriously believe that it is my duty to oppose passage of this bill. That is why, when the vote is called, I shall adopt a very clear stand, with no bitterness towards anyone, but as a free and responsible member. I must oppose passage of this bill, because it runs counter to other legislation passed in 1965 and 1971, which seemed excellent then and if it was good then, it still is today. I shall therefore vote against Bill C-58 on third reading.

● (1730)

[*English*]

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I rise in this third reading debate somewhat perplexed by some of the statements that have been made this afternoon. Since the last debate we have had the benefit of some correspondence from the Secretary of State (Mr. Faulkner), and the reply to that correspondence from *Time* Canada. Also, an interesting article has appeared in "Citizen Forum" in today's issue of the Ottawa *Citizen* in which some interesting questions are asked about the debate that is going on at present.

I listened with interest to the hon. member for Spadina (Mr. Stollery) tutor us on the difference between a magazine and a digest. I suppose we should all be grateful for his attempt to elucidate that rather fine point, except that most of us understood it clearly many weeks ago. Apparently the only two members who did not clearly understand it are the Secretary of State and the Minister of National Revenue (Mr. Cullen).

One wondered, when listening to the hon. member for Spadina, why somewhere along the line some months ago, or a year ago, he had not discreetly tugged the sleeve of the Secretary of State and given him the explanation that he has given us this afternoon, because I am sure many people wondered why the two publications have been lumped together so long. The hon. member said there was only one similiarity between them, but he missed the real similiarity between them, and that is simply the fact that they have been lumped together in this piece of legislation from the beginning. That is what has made *Reader's Digest* and *Time* Canada seem to be the same thing in the minds of some people.

The author of the article in "Citizen Forum" is Mr. Horwood who says that there is an absurdity in all this. He writes:

> The absurdity is obvious enough; it becomes painfully apparent when government must resort to measuring these pomposities in percentages; 75 per cent Canadian ownership, to fortify our national pride; 80 per cent non-foreign content, to protect our Canadian culture. They even argue about such puerile yardsticks. Perhaps 50 per cent would be enough. Well, how about 66 2/3 per cent? No, let's settle for 80 per cent.

We find the same argument carried forth in the letter from the minister addressed to *Time* magazine, when he wrote with a pomposity that has not been heard for some time. One suspects he probably used a quill pen and black ink, and that what he wrote was written as a present to posterity rather like Lord Chesterfield's letter to his son, something one suspects was designed to live forever in the annals of Canadian letter writing, something perhaps related to a recent bill which safeguarded Canadian treasures. One almost expects to see a price tag of $1,000 on the original of this letter already so that it will not leave the country in some auction of great Canadian art. It is full of the same sort of simple definition that has been provided for us by the hon. member for Spadina.

First the minister confirmed that *Time* Canada has no grounds for objecting to Bill C-58. Anyone who is based outside of this country knows that he has no grounds for objecting to Canadian legislation in the sense that the powers of this sovereign land are sovereign still and can be used, no matter how foolishly, how ill devised, and how badly written is the legislation.

No matter how many abrupt shifts in policy have to take place, there is still a sovereignty there, and power on the government side is still there. Certainly the public has come to realize this and members on the government side have come to realize it in the backbench revolt which led to the sudden shift of policy with regard to the position of *Reader's Digest* vis-à-vis that of *Time* magazine. That was transparently evident to the Canadian public in their response to the appeal from *Reader's Digest* compared to the response from *Time* magazine. We did not need a lecture from the hon. member for Spadina this afternoon to teach us that, nor do the Canadian public need it because they have known it for a long time.

The minister writes a sentence which, because of its brevity, is obviously one that is supposed to live forever. He states: "What *Time Canada* is fighting for is money, not principle." I suppose there is a balance and a brevity there that would rate something for its literary value, but nevertheless it is not just *Time* magazine that has been concerned about the principle. A good many voices have been raised in this country by independant Canadians, by independent Canadian publications, and by authors who have written that they too are concerned about the principle and they too are concerned about the measure of control that this bill will give to the government over publishing in Canada. They too are concerned that the 80 per cent figure is not in the bill itself and that it lies at the whim of the government and the minister responsible any time in the future. Those are matters of principle and matters of concern. They are very real issues that we must consider. I also join in the call to have the bill returned to the committee.

I agree with the hon. member for St. John's East (Mr. McGrath) that it is a good thing that *Reader's Digest* will continue to publish in this country. I note that there are thousands and thousands of Canadians who wrote letters by hand to members, sometimes painfully with aged and arthritic fingers, in which they told me that they wrote few letters but they wanted to write to tell me they love the size of *Reader's Digest* because they can hold it in their hands, something they have difficulty managing with other publications. They gave intimate details of their own situations. I know they are delighted that that magazine will continue to publish in this country. The opposition, with some help from some courageous backbenchers opposite, has scored a victory which will be recognized as such throughout Canada.

But that is not the point. The point is that we need to know on what basis the victory was won and what arrangement was made. I should think that the hon. member for Spadina, with his knowledge of what constitutes a digest, would be just as curious, as a member of the

committee, to hear that explanation as he was eager to give us the definition that he provided this afternoon.

There is a point that is basic to all of this, that is, that the Canadian reader is not a masochist; the reader who subscribes to publications knows what he or she wants to read. If he does not find it within Canadian publications, he will look elsewhere for it.

● (1740)

While people might occasionally accept an article which will upset and disturb them, they do not want a steady diet which is upsetting, disturbing, unpleasant, and not worth the price of the subscription. That they will not accept, and in recent times that has been provided by Canadian publications.

We heard a fair amount about lobbies this afternoon from hon. members opposite. Another example of a lobby just arrived on the desks of hon. members. I am sure hon. members received the same copy of a publication called *Owl* with the announcement that it is a new Canadian magazine for children. There are several delightful things about it, but the important thing is the letter which came along with it. It says:

> We think it's an example of the sort of new magazine ventures we'll see a lot more of in this country when the proposed *Time-Digest* legislation is enacted.
>
> The benefits to existing Canadian magazines of abolishing the *Time-Digest* tax privileges will be significant.

It goes on to point out how detrimental the 1965 legislation was to foreign based publications, with the exception of *Time and Reader's Digest*. It claims that that legislation led directly to the creation of the magazine *Miss Chatelaine* of Canada. It finally says:

> We predict first-class, vigorous, new magazine activity all over Canada when the legislation is passed. Please vote yes.

That is a very obvious lobby of the members of this House with regard to Bill C-58. When one picks up the publication which accompanies the letter and riffles through it, there is not an advertisement in the entire magazine. There is a subscription rate, but no advertising, so we realize something is being offered. However, if we read the fine print at the bottom of the letter we see the publishers are the publishers of *Key to Toronto* and *Toronto Life*, and they sent the whole thing to us.

I think that tells something to the Canadian public who wrote to members of parliament, and certainly to us as members from western Canada something of which we are already aware, and that is that if there is any money which is supposed to be returned to Canada, it is supposed to go to Toronto. It is intended to go to that narrow, limited and self-centred publishing world which is situated in the heart of Toronto and which produces slick publications like *Toronto Life* with the advertising which it carries.

We know that far too many of what are called Canadian publications are really only Toronto publications and offer nothing to the rest of Canada except scorn. I was attempting to point that out the other evening when I ran out of time, and I will not repeat the argument now, but I think it is basic that if Canadian publications publish for a very narrow and limited audience, then they will not ever be able to attract the advertising which depends on a large

[Mr. Johnston.]

readership. That is the basic issue, and that is the challenge to Canadian publications.

If anything, I suspect that the passage of Bill C-58 will limit the role of Canadian publishing in this country and encourage the type of publication which is designed for a fast overturn in large urban conglomerations and which will not provide the quality of reading material the people who wrote in about *Reader's Digest* want and are willing to pay for if it comes to them regularly. People who subscribe to magazines are very loyal, and they like to give them as gifts. But who wants to send a gift to someone of a magazine which uses the next 12 issues to insult, frustrate, and infuriate to the point where the subscription is cancelled or is simply allowed to lapse at the end of the year? That has been the fate of much Canadian publishing.

I urge that Bill C-58 be returned to the committee because I do not think it should be pushed through the House. I expect closure will be used if it is not returned to committee and an explanation will not be provided to us about what enabled *Reader's Digest* to comply. We know what prevents *Time* magazine from complying with the legislation. I think possibly the explanation lies in the remarks made by the hon. member for Spadina. He talked about the differences between a digest and a magazine, and I suspect that it is in that regard that a way has been found. Because of the different nature of the two publications it is easier for one.

Reader's Digest should be praised because it went much further to make itself more truly Canadian when it had the opportunity. The task was easier for it. However, that is not quite enough. I join in the general rejoicing that *Reader's Digest* will still be available in its Canadian format and in its French version, which also would have been lost to this country which has two official languages. However, I also join in urging that this bill be sent back to committee so that we can find out some of the facts about this important case, and so that the government will have time either to amend the bill or to make definite what the plan is so that publishers in Canada will know what they will be up against in the years ahead. That is imperative.

[*Translation*]

Mr. Louis Duclos (Montmorency): Madam Speaker, it is surprising that this House finds it necessary to have such a long debate on this question as I think that its objectives serve entirely the actual interest of our country and that a few days of debate would have been enough. In no other country in the world a measure serving so well the national interest would have been fought so fiercely. In a normal country where people really have the interest of their country at heart a consensus on such an issue would have been very easy. Madam Speaker, beyond the immediate implications of Bill C-58 I think that this debate reveals the mentality of a colonized country and the lack of desire to live as an autonomous community in this country. I am afraid this country does not have exactly the spirit it should have. I think that some people would prefer our country to be nothing more than a poor replica of our southern neighbour.

I do not think it is normal for Canadians to accept to see in the Canadian reality nothing more than the international reality through the distorting prism of news media which are controlled by foreign interests and in this par-

ticular case by American interests. Madam Speaker, there are some signs which worry me very much and which demonstrate very well the spirit that I greatly deplore.

I cannot understand, for instance, how the mayor of the third largest centre in Canada can declare, apparently for electoral and political reasons, that his fellow citizens and himself would rather watch American television than allow into his city not only French television, but Canadian television, French or English. If our country had a soul, if our people really wished to live as a community in this country there would be pressing demands from all parts of Canada to release this government from its moral undertaking regarding the Olympic Games deficit in Montreal.

We think that the others deserve our praise. For instance, the hon. member for Edmonton West (Mr. Lambert) appealed to the public the other day on television and the hon. member for Kingston and The Islands (Miss MacDonald) and maybe some others consider that it is a Canadian event. In any case, I wish to speak particularly about the essence of the bill now before this House.

A moment ago, I heard opposition members say that we should withhold this legislation, send it back to committee and wait for one or two years. Parliament has been concerned with this matter since 1922. In 1922, the Magazine Publishers' Association asked for protection measures to ensure the development of a Canadian periodical industry.

The problem became increasingly serious so that in 1955, *Time* and *Reader's Digest* syphoned off one third of advertising revenues from the Canadian periodical industry. That is why the Saint-Laurent administration, a Liberal one, imposed in 1956 a 20 per cent tax on advertising published in Canadian issues of foreign-based publications.

What is surprising, Madam Speaker, is that in 1958 the Conservative government which had been elected on the philosophy that Canada was too much oriented towards the United States, that we should look more to our mother country, Britain, and diversify our relationship, it is surprising that this very government has removed a tax that was brought forward two years before by a Liberal government.

All this reflects the kind of opportunistic attitude of the official opposition which explains for a large part why Canadians are never prepared to trust that party when they are called upon to vote during a general election.

In May 1961, the O'Leary Commission submitted its report. I hear the exclamation of a member of the official opposition. It was a commission composed of qualified, distinguished, non-partisan Canadians who really were on top of the job, who did not spend just a few hours, a few days, to the consideration of this matter but who studied it for over a year, working in task forces. What were the findings of the O'Leary Commission?

Domestic advertising expenses must support a nation's own broadcasting facilities. He recommended that no taxpayer be allowed to deduct for income tax purposes the cost of advertisements directed to the Canadian public inserted in foreign periodicals, wherever they may be printed.

Unfortunately in 1965, that recommendation received partial implementation only with *Time* magazine and *Reader's Digest* being exempted. I do not wish to insist unduly on the lobby that did a good job and finally prevailed upon the government to back down. Still that backdown was unfortunate, because if they had gone all the way we would now have a prosperous publishing industry in Canada. In this respect, I would like to quote from the Davey Committee report:

● (1750)

[*English*]

We deeply regret that *Time* and *Reader's Digest* were exempted from the O'Leary legislation. It was a bad decision... Frankly we marvel that any Canadian mass consumer magazines have survived in such a forbidding climate. It is a tribute to their skill—and to the fact that Canadians obviously want Canadian magazines. We are certain that, if section 12A (now 19) had been fully applied ten years ago, there would be more Canadian magazines today.

[*Translation*]

The Senate Davey Committee simply recommended abolishment of privileges granted to *Time* and *Reader's Digest*, which in the views of the committee were a menace to the very existence of Canadian publications.

I would quote once more from the O'Leary report:

It is clear that Canadian periodicals are denied competition on an equitable basis with foreign publications publishing so-called "Canadian" editions.

Basically, what we are faced with is a problem of an economic nature. By that I mean that Canadian publications are confronted with unfair competition. This is very easily explained. *Time* Canada, for example, gets 85 per cent of its material from the American parent company, and *Reader's Digest* two thirds. They get them at much lower cost than that paid by Canadian magazines for material of the same quality and nature.

Basically, costs have already been written off in the United States; it is therefore easy to offer good terms to Canadian magazines, that is the Canadian edition of Canadian periodicals.

In 1974, the advertising income of the Canadian magazine industry amounted to $39 million. Of that $19 million, that is 48 per cent, were paid *Time* and *Reader's Digest* while in 1955, 19 years earlier, their share had amounted to only 33 per cent, which goes to prove the increasing importance of those two publications.

Between 1958 and 1974, *Time*'s income from publicity increased by 819 per cent, that being an average yearly increase of 55 per cent, while that of *Reader's Digest* went up by 413 per cent representing an annual increase of 27 per cent; on the other hand, that of Canadian periodicals increased by 185 per cent only, giving an annual average increase of 12 per cent.

Madam Speaker, there was obviously a lobby because, things having worked out in 1965, it was hoped they would again. In this regard, I want to congratulate the Secretary of State (Mr. Faulkner) who did not hesitate to take a stand, yet showed some willingness to be flexible, feeling that, to the extent where a magazine like *Reader's Digest* was truly willing to become a good corporate citizen, as we say, concessions should be made.

I want to close with a few words on censorship. The government has been accused of exercising censorship. What is censorship, according to Oxford.

To censure is to forbid publication. Does this mean that the *Reader's Digest* and *Time* Canada will no longer be admitted in this country? Absolutely not. If the suppression of the tax privileges of a periodical meant censure, this would mean that many foreign periodicals, like the *Nouvel Observateur* and the French magazine *Express* have been submitted to the censure of the Canadian government since 1965.

I would like to say a lot more on this matter, but I see that it is nearly six o'clock. I will close by saying that a while ago there was mention of a reversal. For my part, I am very surprised to see that some people are motivated only by opportunism. On January 23, 1975, the official spokesman for the opposition on this issue, the hon. member for York-Simcoe (Mr. Stevens) said the following:

Mr. Speaker, in responding to the statement just made I would first like to say, on behalf of the official opposition, that we are pleased the government has clarified this matter at long last. We believe that the move to eliminate the income tax advantage shared mainly by two magazines, *Time* and *Reader's Digest*, is a good one.

Yet, the hon. member for Bellechasse (Mr. Lambert) spoke about a government reversal. What did the representative of the Social Credit Party, the hon. member for Lotbinière (Mr. Fortin), say at that time? He said the following:

Mr. Speaker, on behalf of the Social Credit Party of Canada, I should like to thank the Secretary of State (Mr. Faulkner) for his statement which has finally given birth . . .

The Acting Speaker (Mrs. Morin): Order, please. The Parliamentary Secretary to the President of the Privy Council on a point of order.

Mr. Blais: Madam Speaker, before we say that it is six o'clock, I am wondering—

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Madam Speaker, before we call it six o'clock I wonder if the House would consent to revert to routine proceedings so that I might seek the unanimous consent of the House to make questions Nos. 3,577, 3,778 and 3,654 orders for returns. If so I would deposit these returns immediately, Madam Speaker.

● (1800)

Some hon. Members: Agreed.

[*Text*]

DEPARTMENT OF SUPPLY AND SERVICES CONTRACTS

Question No. 3,577—**Mr. Beatty:**

1. With reference to the contracts described in the twenty-eight Research and Development bulletins published up to and including the July 1975 issue let by the Department of Supply and Services, by department (a) what is the total value of the contracts (b) how many were publicly advertised prior to being awarded (c) what were their numbers and descriptions (d) what was their total value?

2. Of the contracts that were advertised before being awarded (a) how many had more than one bid submitted (b) what were their numbers and descriptions (c) what was their total value?

3. Of the contracts for which more than one bid was submitted (a) which contracts were awarded to anyone other than the lowest bidder (b) in each case (i) what were the bids submitted (ii) by whom (iii) for what reason was the contract not awarded to the lowest bidder?

4. Of the persons or organizations awarded contracts (a) what are the names of any who were previous employees of the government (b) on what dates and for whom did they work (c) what previous work have they done on contract for the government (d) at what cost to the taxpayer were the contracts let?

5. What are the names of contractors or principal investigators who have been awarded more than one contract and, in each case, what were the (a) numbers (b) descriptions (c) values (d) client departments?

Return tabled.

PRIME MINISTER'S OFFICE

Question No. 3,654—**Mr. Cossitt:**

1. Since April 20, 1968, what amount of public funds was spent on furniture, equipment, fixtures, carpets, etc. in each department for (a) the department office of the Minister (b) the Parliamentary office of the Minister?

2. What is the total expenditure for this period for all departments?

Return tabled.

DEPARTMENT OF PUBLIC WORKS—CONSTITUENCY OF CHAMPLAIN

Question No. 3,778—**Mr. Matte:**

1. Since 1970, has the Department of Public Works allocated money for works in the Constituency of Champlain and, if so, how much?

2. In each case, what was (a) the kind of work done (b) the amount granted (c) the year (i) the works began (ii) the works were completed?

Return tabled.

[*Translation*]

The Acting Speaker (Mrs. Morin): This can be done only if the hon. parliamentary secretary gives the Chair the assurance that the hon. member for Edmonton West (Mr. Lambert), who was opposed to this motion this afternoon, has given his agreement. Is there unanimous consent of the House?

Some hon. Members: Agreed.

[*English*]

Mr. Knowles (Winnipeg North Centre): Madam Speaker, may I ask if this has been cleared with the official opposition, since one of their members objected earlier today?

Mr. Blais: Madam Speaker, there have been consultations through the usual channels with the opposition, and I am advised that this is agreeable to them.

Mr. McKinley: Agreed.

The Acting Speaker (Mrs. Morin): It is so ordered.

[*Translation*]

It being six o'clock, I do now leave the chair until eight o'clock this evening, when the House will proceed with a motion moved under the provisions of Standing Order 26 by the hon. member for Oshawa-Whitby (Mr. Broadbent).

At 6:02 the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

LABOUR CONDITIONS

IRVING PULP AND PAPER—CANADIAN LABOUR CONGRESS REACTION TO DECISION OF ANTI-INFLATION BOARD ADMINISTRATOR

The Acting Speaker (Mrs. Morin): Leave having been granted to the hon. member for Oshawa-Whitby (Mr. Broadbent) to move the adjournment of the House pursuant to Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely "the revelation today of the announced intention by the executive of the Canadian Labour Congress representing almost 2 million Canadian Workers to withdraw from all areas of co-operation with the federal government", accordingly the motion is as follows: Mr. Broadbent, seconded by Mr. Knowles (Winnipeg North Centre), moves:

That this House do now adjourn.

Mr. Edward Broadbent (Oshawa-Whitby): Madam Speaker, for sometime now the New Democratic Party has made its opposition clearly known to the kind of anti-inflation program that the government has brought before the people of Canada. We made that known last Thanksgiving when the Prime Minister (Mr. Trudeau) went on television and announced his intentions. We followed that up by clear opposition to the bill which was introduced subsequent to that time in the House of Commons. There has been no question about our general opposition to the kind of program that the government has presented to deal with inflation.

Nothwithstanding our opposition to the general program, that is not the issue before the House tonight. The principal concern of tonight's debate is the absence, in the law that has been passed by this House, of the fundamental right of all Canadians to appeal judicial or quasi-judicial decisions which affect them. That is the issue before us and that is the one to which I hope spokesmen for all parties, particularly spokesmen for the government, will address themselves.

On January 28 in the House for the first time in a question I indicated, on belhalf of my party, concrete reasons to the Minister of Finance (Mr. Macdonald for believing the appeal procedure set down under this law

was, to put it bluntly, a farce. The minister at that time dismissed the question. He suggested that I and one of my colleagues should reread the law. I read the law with considerable care before I raised the issue then. I would like to suggest to the minister, and I wish he were here, that he read his own law and, in addition that he try to comprehend more fully the basic anti-democratic component that is deeply imbedded within it, and take steps to change it forthwith.

The reason for this issue coming glaringly to the surface in the last few days has, of course, been the Irving Pulp and Paper case, the outcome of which has been the fining of the company in the amount of $125,000. Let me briefly outline the chronology of events in this particular case because they illuminate the general situation in a clear fashion.

Last November 30, following serious negotiations between the company and its employees, an agreement was reached through the normal collective bargaining process on what the terms of employment should be. The company then proceeded to implement this agreement. It considered that it did so precisely within the framework of the law of Canada. In particular it paid what it regarded as scrupulous attention to the historical relationship clause in the white paper which preceded the law. It paid, as I said, its workers according to its honest interpretation of the law.

On December 18 the Anti-Inflation Board decided that the company had exceeded the guidelines. However, still acting from within its own perceived framework of the law, the company decided to continue to pay its workers on the basis of the agreed upon settlement with the workers.

On January 23, urged I might add by both the union and Mr. Irving, the Anti-Inflation Board referred the case to the administrator. As soon as the board referred the case, Mr. Irving, acting I submit entirely appropriately, began paying his workers within the framework of what was deemed to be appropriate by the Anti-Inflation Board, putting the amount of money in excess of that in escrow to be left there depending on the outcome of the appeal procedure.

● (2010)

On Friday the minister announced agreement with the board's interpretation of the law and Mr. Irving was fined $125,000. As matters now stand, the agreement originally reached by collective bargaining is in a shambles. Mr. Irving, a law-abiding man, finds he has become unintentionally a lawbreaker, and the pulp and paper workers who are directly affected have no right to appeal.

I believe that in this case Mr. Irving was correct in his judgment—that he was right in thinking the original contract did come within the framework of the anti-inflation guidelines. That is a matter of opinion. My colleagues and I think the case for the settlement agreed upon was reasonably made, especially in view of the historical relationship between wages paid to pulp and paper workers and to the outside workers. A point of greater significance at the moment is this: this case is a graphic illustration of the injustices which are built into the act and which will remain a permanent part of the law of Canada if the act is not changed. The law makes a criminal of an employer and leaves his employees without recourse to appeal in the face

of purely administrative decision-making. Could anything more seriously violate the democratic tradition of the due process of law as it pertains to appeal procedures?

The company and the paper workers have been unfairly dealt with in this particular instance but I believe this is simply the beginning of a virtual flood of injustices affecting the working people, cases which will never reach the level of the appeal procedures as the Irving case has done. For reasons I will indicate soon most of them will go unnoticed unless we change the law.

Is it any wonder that, according to news reports in today's papers, the executive committee of the Canadian Labour Congress should contemplate recommending that the labour movement throughout Canada withhold co-operation in all joint projects with the federal government? Is it any wonder that responsible leaders of the trade union movement, perceiving such a profound injustice and perceiving that the federal government is taking no steps to change the law, should have decided that no form of co-operation with the government is acceptable to them? It is not surprising, Mr. Speaker, because they, more than any other leadership group in our society, have an obligation to the working people of the country both within and outside the trade union movement.

I want to say something about the appeal procedure as it presently exists. At the moment no decision of the Anti-Inflation Board on wages or salaries can be appealed until it has been dealt with by the administrator. But how does a matter get to the administrator? Can the union refer it? No. Can the company refer it? No. It gets to the administrator only if the board itself refers it to him, or if the cabinet does so.

However, I ask this question: when is it likely that either the cabinet or the board would make a referral to the administrator? Only, I suggest, in the highly improbable event of an employer paying more than the board deems proper. It is for this reason that the Irving case, unjust as it is, is not likely to be typical of the cases which come before the board. Most of the decisions which adversely affect working people will never get as far as the administrator. Yet it is when a case gets to the administrator, and only then, that it is possible to launch an appeal.

I turn now to another crucial step. Who can launch an appeal after the administrator gets hold of the case? The answer according to section 30 is that only a person against whom the administrator has made a ruling can do so. What this means in plain English is that only a company can launch an appeal. As I suggested last month when I first raised this issue with the Minister of Finance, the government never intended, in our view, that working Canadians should have any right of appeal under this legislation.

Mr. Blais: Read section 30. Read section 24.

Mr. Broadbent: You will have your chance to speak later. It is only because we have the very exceptional and, I should add, the very commendable situation of an employer, in this case Mr. Irving, paying more than the board thought appropriate that the case got to the administrator in the first place.

Some hon. Members: Oh, oh!

[Mr. Broadbent.]

Mr. Broadbent: The Liberals over there in their usual anti-democratic, anti-working person fashion are laughing themselves silly over this. I would ask the hon. member who is giggling most to go down to Saint John any day this week and talk to the paper workers who have been dealt with in this way.

This afternoon in the House, in reply to questions by myself, the Prime Minister acknowledged that the facts as I have outlined them with regard to the appeal procedure are beyond dispute. However, we failed completely to understand the undemocratic nature of the arrangement. He agreed with me that under the law as it now stands it is only the employer who has the right to appeal. It is important to notice his reason for approving the present procedure. He indicated that if the administrator found that the employer was paying in excess of the amount permitted by the guidelines it would be he, and not his workers, who violated the law. The Prime Minister then went on to say that as a result no worker or group of workers whose pay was reduced as a result of the administrative decision could claim that an injustice had been done against them. Surely this is legalistic nonsense. What the Prime Minister has done is to define justice in terms of the existing law.

The whole point of our opposition to the law—and our position is shared by spokesmen concerned with civil liberties outside the House as well as by the Leader of the Opposition (Mr. Stanfield) in the House of Commons—is that the law as it exists is an unjust one and should be changed. For the Prime Minister to define justice in terms of the provisions of the existing law is to indulge in mere sophistry, and surely he knows it.

● (2020)

Surely it is wrong to say that workers who believe that their settlement comes within the framework of the law have no grievance, when a case that goes against their financial interests can be appealed only by their employer. That is what the Prime Minister said in the House of Commons this afternoon. I say to the Liberal backbenchers who are objecting that they should read the record and see what their Prime Minister has been saying. I ask, could anything be more unjust? Are working Canadians to lose all of their basic economic rights? Are they going to be denied, within the context of this law, the general right that all Canadians have taken for granted, which is the right to appeal administrative decision-making through due process? In effect the Prime Minister dismissed that question this afternoon.

We urge the government in the most serious way to bring forth amendments at the earliest possible time to ensure that the democratic right of appeal of all working Canadians be restored under this law. In our view such amendments should take the following form. First of all, they should enable anyone directly affected by a decision of the Anti-Inflation Board—I am thinking of employees and employers here—to appeal directly to some appeal body following the decision of the Anti-Inflation Board. If there is no appeal within a certain prescribed number of days then it would be assumed that the decision is accepted by all parties and that would be the law.

The administrator should have the authority, in our view, to levy fines on employers or employees only after

the appeals tribunal has considered an appeal, and certainly not before. Only some such procedure would permit, in our view, Canadian workers, 90 per cent of the people of our land, to have the democratic right of appeal, and also, I might add, put corporations in our country in a fairer position. The injustices that are embedded in the law concerning this farce of an appeal procedure must be corrected.

In conclusion, Madam Speaker, I want to say something very briefly about the history of the working people of this country. It has been largely since the first world war, resulting from a series of strikes, difficulties, confrontations, in cities as far apart and diverse as Winnipeg and St. John's, Newfoundland, as Windsor and Oshawa, that working people got the collective right to have some minimal say in our industrial system. It has been a very real struggle for a great number of highly dedicated men and women.

In raising this particular issue the New Democratic Party sees it as being fundamentally connected with the history of democratic rights of working people. We see this law that is now on the books, objectionable as it is in its general prescriptions for dealing with inflation, as profoundly unacceptable in its measures for dealing with the right of appeal precisely because they deny that right of appeal.

Having spoken to a number of workers on the scene in New Brunswick and in the city of Ottawa in the last few days, I can now understand more clearly why they have become so profoundly opposed to the whole anti-inflation program. They perceive in this program, clearly illustrated in the complete denial of their rights to appeal, a serious and deep anti-labour attitude.

I submit that the only way that the government has the slightest hope of getting any kind of compliance with its program from the working people in the weeks and months ahead is to make the appropriate change. If it does not make this change but leaves the law in its highly arbitrary and undemocratic state, then I predict—I am not encouraging this and I do not want anyone to suggest I am—that the kind of opposition that we have seen in the last few days will be a mere pittance. It will grow, and grow with considerable depth right across the country. In concluding, I urge that the government come to its senses and make the appropriate changes.

Hon. John C. Munro (Minister of Labour): Madam Speaker, I listened with some attentiveness to what the leader of the New Democratic Party (Mr. Broadbent) said about the Anti-Inflation Board and the question of appeal. I think the matter is clearly on record. The Prime Minister (Mr. Trudeau) said today that, as he perceived the application of the act, the Anti-Inflation Board would have a jawboning function. It would advise the parties on what it felt was reasonable in the circumstances with respect to a settlement, and then if the parties did not want to adhere to that advice, went off on their own and made an agreement contrary to that advice, the board could refer the matter to the administrator and he would make the ultimate decision in terms of enforcement.

Mr. Douglas (Nanaimo-Cowichan-The Islands): And impose penalties for contravention.

Mr. Munro (Hamilton East): And impose penalties for contravention. The board would refer if its advice were not taken. That provision is in the act, and it was in the legislation when it was brought into parliament, so presumably we can study it in that context. The Prime Minister stated that if, as a result of these representations, the Minister of Finance (Mr. Macdonald) considers these provisions should be in the act, he will bring them to cabinet and we will make a decision as to whether improvements in the procedure can be made. So we are open to persuasion, and this was quite clearly stated in the House today by the Prime Minister.

Mr. Rodriguez: What else could he say?

Mr. Munro (Hamilton East): If hon. members would check *Hansard* they would see that is pretty well precisely what the Prime Minister said. I do not think there can be any argument about that.

I think the legislation is fair in the circumstances, but if it can be improved in terms of equity we are open to persuasion. The point I should like to emphasize is this, and it was raised by the Leader of the New Democratic Party. The position of the CLC at the very outset when this policy was first announced was, in a sense, negative. They condemned the policy in all its aspects. Having condemned it completely and said that they would fight it, they then went out on a limb, so to speak. I suppose they felt that it would be inconsistent if they adopted the approach of suggesting amendments or improvements to the act.

I have a very high regard for the Canadian Labour Congress and what it has contributed to this country. I think most of the leaders will attest to that fact, and I do not have to protest my feelings about it to any hon. member. What I am saying is that the CLC having said that it is not pleased with the legislation, having indicated to its membership that it will use all lawful means to combat it and prevent its passage, and having tried to persuade members of the House, and so on, not to give consent to this legislation, might have made a constructive posture by examining the legislation and accepting the invitation of the Prime Minister (Mr. Trudeau) and this government to come up with needed improvements before the legislation was passed by the House. The CLC did not do this. I feel it missed a very real opportunity to be of service not only to the country but to its membership. I repeat that these were invitations not only by myself but by the Prime Minister, and we could not get any concrete suggestions from any students of this legislation in the CLC regarding its improvement.

● (2030)

Mr. Douglas (Nanaimo-Cowichan-The Islands): You had scores of amendments in the committee and you did not accept any of them.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): Perhaps hon. members would listen, keep their minds open and their mouths shut for a moment and hear what I am saying. I am not talking about individual members of parliament or amendments they have suggested. I am talking about an invitation to

the CLC as the representatives of labour in this country to make some concrete suggestions in respect of improvements.

Some hon. Members: Oh, oh!

Mr. Broadbent: Are you blaming them for your bad law?

Mr. Munro (Hamilton East): Wait a minute. This is an over simplified approach by the leader of the NDP who is saying that if we invite people to make amendments or suggest improvements to our legislation, somehow we are acknowledging that we are authors of bad law, yet I suppose if we never asked for any suggestion of improvement you would call us arrogant. You cannot have it both ways.

The fact of the matter is, this was very serious legislation in an attempt to cope with inflation. We put out an invitation that was sincerely advanced in respect of suggestions for needed improvements, and they were not forthcoming. However, that is water over the dam. That opportunity has been passed over by the Canadian Labour Congress in terms of a constructive contribution. This, conceivably, could have been one of the areas in respect of which the legitimate voice of labour in this country could have been heard, as well as in respect of other aspects of the legislation. I would think there is still an opportunity.

I make this appeal in the House tonight. There is still an opportunity, despite the position of the Canadian Labour Congress—and we have all heard that amply stated on several occasions—for the CLC to come forward and make representations to this government. I believe it is constructive on the part of the government to keep the channels of communication open with the labour movement in this country, and I invite them to make representations in respect of where needed improvements should be made. The government is willing to listen, and where they have constructive suggestions we are prepared seriously to entertain them. That invitation is renewed to the labour movement.

Mr. Broadbent: I made that suggestion three weeks ago.

An hon. Member: What happened to collective bargaining?

Mr. Munro (Hamilton East): You talk about collective bargaining. It has always been the policy of this government to maintain the institution of free collective bargaining, resisting all demands of some of the extremists who oversimplify in this House with regard to abolishing the right to strike. This is well known to members of the labour movement who watch the proceedings of this House, and it is certainly well known to hon. members of the NDP. This has been the position of the government. At the same time, we felt that in order to cope successfully with the inflationary situation we should implement a system of selective controls for a temporary period of time. Of course, that is an interference, for a temporary period, with the free collective bargaining system.

Mr. Baker (Grenville-Carleton): That is the first admission you have ever made. Your ministers have denied it and your Prime Minister (Mr. Trudeau) has denied it.

[Mr. Munro (Hamilton East).]

Mr. Munro (Hamilton East): Nonsense; and that acknowledgement of abysmal ignorance on the hon. member's part is really appalling.

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton East): It has been acknowledged by many government spokesmen that a selective control system is a temporary interference with, but not a denial of, free collective bargaining.

Mr. Douglas (Nanaimo-Cowichan-The Islands): It is the obliteration of it.

Mr. Munro (Hamilton East): Nonsense; it is not an obliteration. There are all sorts of collective agreements being reached. The hon. member can go into my department and examine the records of them. There are negotiations going on all the time, right across this country. The hon. member can talk to the mediators and conciliators of all the provincial departments of labour and find out about the settlements being arrived at within the guidelines through free collective bargaining every day.

An hon. Member: We don't have to talk to them. We negotiate with you.

Mr. Munro (Hamilton East): Even if it were not for the guidelines there would be situations in this country where even the unions would agree that, because of profitability or productivity, a 12 per cent settlement would not be warranted or possible, and perhaps a 10 per cent, an 8 per cent or even a 7 per cent settlement would be appropriate. At any rate, what I am saying is that it is perfectly obvious that there are all sorts of situations in this country where, because of certain conditions, settlements even at the ceiling of the guidelines are not feasible or possible. Bona fide unions which are totally committed to get the best they can for their memberships must be prepared to recognize the situation and settle for less. Hon. members say it is a complete denial of collective bargaining, but it is not.

An hon. Member: It is.

Mr. Munro (Hamilton East): It is not a complete denial of collective bargaining in terms of intellectual honesty.

An hon. Member: Oh, come off it.

Mr. Munro (Hamilton East): It is certainly an interference with the collective bargaining system; there is no question about that.

An hon. Member: It is destruction.

Mr. Munro (Hamilton East): It would not make any sense, in terms of a control program, if it were not an interference for this temporary period of time. Obviously, the government did not lightly implement a system that interfered for a temporary period with the collective bargaining system.

An hon. Member: Oh, no!

Some hon. Members: Hear, hear!

An hon. Member: The heavy hand, again.

Mr. Munro (Hamilton East): We were convinced then, and we are convinced now—make no mistake about it—that a significant majority of Canadians are behind this program and are supporting it.

An hon. Member: Rubbish.

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton East): Madam Speaker, there are a lot of people over there with their mouths wide open and their ears closed. I would think they are pretty insensitive to the feelings that are prevalent in this country in terms of concern about inflation, even in their own ridings. They know very well that the Canadian people are behind this program.

An hon. Member: Why don't you start with prices; that is inflation.

Mr. Munro (Hamilton East): It seems to me that if the assumption is correct that the majority of Canadian people are behind this program as a means successfully to cope with inflation, then what we need is co-operation on the part of everyone involved to make sure it works and works equitably. We have always been asking for that type of co-operation and we now ask for it on the part of the members of this House. Certainly we ask for it from members of the NDP.

Hon. members have asked about prices and profits. I think the position of the board is quite solid in this regard. What has happened here is that the board has intervened in many cases. Where the board has intervened, the companies have not proceeded with what may have been their intended price increases. You cannot very well put a man on an indictment list for having backed off from committing a crime or for not having committed one in the first place. Through the procedures of the board and the accounting procedures that are necessary he has decided not to go ahead with what might have been an intended price increase. This is a very difficult thing to document.

● (2040)

Some hon. Members: Hear, hear!

An hon. Member: The first true thing you have said tonight.

Mr. Munro (Hamilton East): I am not trying to mislead anybody but I do feel that there has been a significant impact. I should like to point out to some skeptics in the NDP just what has happened of recent date. This dates back to a week ago and it reads:

> The latest consumer price index confirms that the underlying rate of inflation has diminished to about seven per cent on an annual basis. Statistics Canada reported yesterday that the latest three-month rate of inflation, on an annual basis, is 7.2 per cent.

Mr. Orlikow: Give us last year's increase.

Mr. Munro (Hamilton East): The overriding concern of the people of Canada and of the labour movement was to cope successfully with inflation. I say this establishes that the program is working and is going to work continually in the interests of the working people in this country.

Mr. Douglas (Nanaimo-Cowichan-The Islands): On the backs of the workers.

Mr. Munro (Hamilton East): Somebody yells out that old cliche "on the backs of the workers." You can examine what a runaway rate of inflation has done to the labour movement and its leadership in any country where it has occurred. Surely I do not have to give that type of lecture to many of the experienced trade unionists who are part of the NDP. It has played total havoc with the leadership, it has undermined it, and in many cases destroyed it, and has worked in the worst interest of every trade union member in any country where it was allowed to get out of control. Surely that cannot be denied. So when someone says that any government that tries to cope with inflation is not concerned with the labour movement and its members, he is not only deluding himself, he is deluding the Canadian people. I do not believe we have anything to apologize for in this regard. What we are asking for and will continue to ask for is co-operation—

Mr. Orlikow: Tell us how they appeal.

Mr. Munro (Hamilton East): —of the NDP and the labour movement to help make this work.

An hon. Member: How do they appeal? Tell us that.

Mr. Munro (Hamilton East): I should like to deal with another point which the leader of the NDP raised. It is a disturbing element. He indicated—if I am incorrect I am sure he will tell me—that the CLC has withdrawn.

Mr. Broadbent: That is not what I said.

Mr. Munro (Hamilton East): Certainly he has indicated that they are considering withdrawing. I think that is a fairly accurate reflection of what he said. I can tell you what I perceive from the actual wording of the press release and having talked to some people connected with it, that it is not considering withdrawing, unless you want to interpret the words "we are reviewing our position with respect to various government agencies" in another way. But that was the precise statement.

Mr. Broadbent: That is because the executive council has not met yet. I think you know that.

Mr. Munro (Hamilton East): To try to exploit the situation—I hope that is not the intent of the leader of the NDP but it may be the intent of some others—in terms of creating embarrassment for the government by feeding the flames of confrontation, is doing a great disservice to the Canadian people.

Some hon. Members: Shame!

Mr. Munro (Hamilton East): The fact of the matter is that the Canadian Labour Congress has a right to review its participation or involvement in any government agency and no one can deny it that right. But I would like to make it quite clear with respect to the Canada Labour Relations Council that it is not a government agency or a government board. When we are talking about withdrawing from various boards and government agencies I might say that I think that would be very unfortunate indeed, not only for

the government in terms of the advice it receives, but for the labour movement in terms of their input into many of the decisions that are made by these boards. In any event, if they should review their position with respect to these boards and withdraw, obviously we will have to inherit the misfortunes that flow on all sides from such a development.

With respect to the Canada Labour Relations Council I think it should be made clear that this is not a government agency or board but a truly tri-partite council in every respect. If one element withdraws, the whole thing collapses. We have a one third interest in it in terms of participation. It is not management, it is not labour. Each one is entitled to operate in it to a certain extent, so that if labour or management should withdraw they are withdrawing from their own agency. They are self-destructing their own mechanism to try to come up with some workable solutions. That would be self-defeating.

I might add here that this board is doing some very useful work indeed. It is involved in the whole area of broad based bargaining as a useful way to diminish work stoppages, both legal and illegal, in this country, and to inject some rationality into the collective bargaining system when we have been faced with some serious figures on a relative international basis of man years lost due to strikes.

The Acting Speaker (Mrs. Morin): I regret to interrupt the minister but the time allotted to him has expired.

Is there unanimous consent to allow the minister to continue?

Some hon. Members: Agreed.

Mr. Peters: He has my consent if he would give some consideration to speaking for a few minutes on the subject, which is the appeal procedure.

Mr. Nystrom: Yes, he should speak on the subject.

Some hon. Members: Read the motion.

Mr. Broadbent: Would the minister permit a question? I have been listening with great care to what he had to say. I might have missed the point, but did he acknowledge, and if he did not, does he disagree with the substance of my argument that as they exist now the appeal procedures are undemocratic, and if he does, was he saying earlier that while the government may be considering changing the procedures it intends to amend them along the line that would be regarded as democratic?

Mr. Munro (Hamilton East): I did not say that, Mr. Speaker. What I did say was that when we envisaged this legislation, we felt it was reasonable. I still feel it is reasonable. To my way of thinking, in terms of full representations before the Anti-Inflation Board, the board renders an interpretation with respect to an agreement. If it is not adhered to it goes to the administrator, admittedly through the board, for a decision by the administrator.

If the hon. member and others claim that there is an element of inequity in an appeal going in the second stage to the administrator and beyond, I think I might say that we are open to persuasion and we are prepared to consider the matter. I think that is the position clearly stated in answer to the hon. member.

[Mr. Munro (Hamilton East).]

Mr. Orlikow: Is there any appeal to the courts?

Mr. Munro (Hamilton East): The leader of the NDP in his motion states that this is a specific and important matter requiring urgent consideration, namely, "the revelation today of the announced intention by the executive of the CLC representing almost 2 million Canadian workers to withdraw . . ." Today the hon. member used the word consider, his motion says "intention to withdraw", and the press release from CLC says "review" its position with respect to all boards. So I think we should be very precise, when we talk about a serious matter of this kind, not to inflame the situation and try to create an atmosphere of confrontation, which could be unfortunate for everyone. We all have a responsibility to avoid that.

● (2050)

I should say that I appreciate the opportunity hon. members have given me to exceed my time limit, and in conclusion I should like to indicate just two other measures which are being looked into by the Canada Labour Relations Council which would provide some really tangible benefit for Canadians generally and for members of the labour movement. We talk about rationalization of bargaining units or broader based bargaining. I think it is essential and in the best interests of the labour movement, its membership and the Canadian people, that this be studied.

An hon. Member: Get off the pot.

Mr. Munro (Hamilton East): Perhaps the hon. member who is again interrupting does not even speak to union membership, let alone the leadership, or he would be aware of that fact.

Another area which has been seriously considered by the Canada Labour Relations Council—and in which labour has been one of the most profound advocates—is the area of trying to develop a central agency for statistical gathering and analysis which would not have a bias, or be perceived as having a bias by either labour or management. It would in fact be responsible to this tripartite council itself rather than to a government agency. At least this would set some reasonable parameters within which collective bargaining could take place at a time perhaps when these controls are finished.

People keep asking why should labour or management not sit on the Canada Labour Relations Council and why should they stand by when we are interfering—not denying, but interfering—with the collective bargaining system. It seems to me that it is in the interest of all of us to be assured that, when the control period is over, the collective bargaining system as such will be a better system so it is not so vulnerable to the attacks which are launched on it daily, to the detriment of labour and its leadership as well as of the Canadian people. This is another area which is being studied very seriously by this council now.

The third area in which labour is fully participating for the benefit of workers on this council is the examination of

the whole question of industrial relations in the work place which involves questions of the work environment, job satisfaction, worker participation, and all these matters.

Mr. Rodriguez: Alice in Wonderland.

Mr. Munro (Hamilton East): The cynic over there who talks about Alice in Wonderland should tell that to all the labour people who have been participating in all the studies to make it work.

Mr. Rodriguez: Oh, oh!

Mr. Munro (Hamilton East): Why don't you make your smart aleck remarks to the labour people who are working so hard in some of these areas? I do not think they would appreciate them.

The fourth area which is very much in the interests of labour leadership and its membership is the development of far more appropriate and adequate arbitration services so that union members can have their grievances dealt with more readily and quickly. All these areas are very much in the interests of the labour movement.

So I think it is very much in the interests of the labour movement, its membership, its leadership, and the Canadian people not to let their emotions and their strong feelings with respect to these controls divert them from the course they have always followed, and that course has always been to act in every way in their best interests.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): Madam Speaker, if I may I should like to ask the minister a question before he sits down.

The Acting Speaker (Mrs. Morin): Will the minister allow a question?

Mr. Munro (Hamilton East): Yes, Madam Speaker.

Mr. Douglas (Nanaimo-Cowichan-The Islands): After listening to the minister for 30 minutes I still have not heard the answer to the main point. Can he name any provision in the Anti-Inflation Act, apart from section 24 which gives the right of appeal to the cabinet, which would give a trade union the right to appeal the decision of the Anti-Inflation Board or to appeal the decision of the administrator?

Mr. Munro (Hamilton East): I think the act is quite clear that the direct way to get the administrator's decision on a ruling is from the Anti-Inflation Board.

An hon. Member: What are you talking about?

Mr. Munro (Hamilton East): I think that is quite clear in the act.

Some hon. Members: Oh, oh!

Hon. Robert L. Stanfield (Leader of the Opposition): Madam Speaker, I have a feeling that tonight is not a very appropriate one for the Leader of the Opposition, so it is perhaps just as well that I am shedding this mantle in a few days.

I feel a little sorry for the minister, and I do not think it is very fair of my hon. friends to press him to defend the indefensible.

I did not support the anti-inflation legislation on third reading—

An hon. Member: You did on second.

Mr. Benjamin: You can't have it both ways.

Mr. Stanfield: I can't have it both ways, but I am one of the few people in the country who has not tried to have it both ways.

Some hon. Members: Hear, hear!

Mr. Stanfield: I was concerned about the administrative procedures established in the bill, and especially about the appeal procedures. I was very concerned about the proposed duration of the program of some three years or more, with very easy provision for extension, so that anybody, whether on the management side or on the labour side, could very well anticipate that we were in for a fairly long haul.

I said in the course of the debates on the bill, and I say again tonight, that it is one thing to ask leaders of organized labour and members of trade unions to accept substantial restrictions on collective bargaining in the public interest for a period of a year and a half or so, but it is a very different thing to ask the labour movement to accept such restrictions for a period of three years or three and a quarter years, and perhaps substantially longer because a government with a majority in this House can extend the duration of this program by a simple resolution which can be debated for only three days in parliament.

So it seems to me that proposing controls for a period of three years or more was a most inappropriate way to get acceptance of the program in the country, and particularly from the organized labour movement, especially in view of the complete about face of the government on the whole issue and the complete lack of credibility the government had in making such a proposal to the country.

Some hon. Members: Hear, hear!

Mr. Stanfield: Despite what the Minister of Labour (Mr. Munro) said here tonight, the government compounded this offence by repeated hypocrisy in the House and by pretending that the government was maintaining free collective bargaining. The Minister of Labour can protest as much as he likes, but I have had answers from the Minister of Finance (Mr. Macdonald) and from the Acting Prime Minister who is the President of the Privy Council (Mr. Sharp), time after time in this House, taking the position and adopting the pretence that this legislation did not restrict collective bargaining and that the government was by no means prepared to interfere with collective bargaining. This kind of pretence, this kind of hypocrisy, has added to the general lack of acceptance in some quarters of this country. I did not support the bill on third reading for the reasons I have indicated.

● (2100)

An hon. Member: Shame!

Mr. Stanfield: I heard a member say "Shame," Mr. Speaker. If there is any group in this House that should be ashamed of this issue, it is my hon. friends opposite.

Some hon. Members: Hear, hear!

Mr. Stanfield: If I had not been convinced before—well, I will not go on with this; there is no point in talking about the cynicism in the Liberal ranks because it is certainly beyond measurement. As I said, I did not support the bill on third reading for the reasons I have indicated. I also said that I would urge Canadians, and my party would urge Canadians, to comply with the law passed by parliament and to co-operate with the Anti-Inflation Board. I believe that compliance with a law adopted by parliament is essential to the maintenance of democratic government and is essential to the maintenance of an orderly society.

I accept the right of labour or any other group to try to bring about a change in the law through persuasion and through pressure, at least such degrees of pressure as are compatible with the maintenance of democratic institutions. I accept that; but I want to make it very clear that I could not condone or support any massive defiance of the law, and I am not suggesting this has taken place. I simply want to make it very clear that I could not support or accept any declared intention by businessmen or working people, organized or unorganized, to defy a law passed by this parliament. No group can set itself above the law and no group can set itself above parliament.

I do suggest, Mr. Speaker, to hon. members opposite that there has been an unnecessary polarization in the way this program has been developed. It is all very well for the Minister of Labour (Mr. Munro) to stand in this House and lecture members of the opposition, expressing the hope that we will not do anything at this time to increase polarization. The very way in which this government has chosen to introduce its program of controls has tended, itself, to work in the direction of polarization and to add strains.

I sometimes ask myself whether this polarization that we are now seeing in the country is not really something that the government, if it does not seek it is at least prepared to welcome. I sometimes wonder whether you can explain some of the polarization that the government has developed simply through the normal amount of stupidity that they demonstrate from day to day, or whether in fact this is a deliberate kind of exploitation, a deliberate kind of polarization.

An hon. Member: It is called divide and rule.

Mr. Stanfield: You can call it divide and rule, or you can call it developing an election issue and running the next election against organized labour on the basis that it has defied a government program and defied a law of parliament. I have already referred to the duration of the program as asking an unnecessary amount of forebearance from the labour movement, asking the labour movement to give up far more than is necessary and asking them to accept very substantial restrictions on the collective bargaining process for such a length of time.

There is also the matter of the appeals procedure. As I understand it, the Anti-Inflation Board makes a ruling and there is no way to get from the Anti-Inflation Board to the administrator, in effect, except by defying the Anti-Inflation Board, by refusing to comply or by threatening to refuse to comply. This, surely, is an intolerable situation.

As I understand, the Irving case—and I should like to be corrected if I am wrong—the Anti-Inflation Board made a ruling, then it was referred to the administrator and the administrator soaked the company with a fine. It was not a case of the administrator saying to the company in question, "I support the finding of the Anti-Inflation Board and order you to comply within a certain number of days." It was simply a reference to the administrator and the administrator treating the company as if it had already broken the law.

Today, the Prime Minister (Mr. Trudeau) and the Minister of Labour talked about the jaw-boning role of the Anti-Inflation Board. That gives the impression that all the board does is jaw-bone and try to persuade, and nobody does any enforcing except the administrator. It is some jaw-boning if you do not do what is suggested to you, so you get socked with a heavy fine.

Surely the truth is that the government intends the Anti-Inflation Board to have the final say as to what the guidelines are and how the guidelines apply to the particular case. When you remove all the verbiage, the government intends to maintain a very, very strict control over any appeal from the Anti-Inflation Board.

Some hon. Members: Hear, hear!

Mr. Stanfield: It is set up that way. That is the only conclusion I can draw. Not only is it set up in such a way that an appeal is virtually impossible unless the law is defied, or unless the government or the Anti-Inflation Board wants to see the thing carried a step further, but when the administrator makes a decision supporting the Anti-Inflation Board and imposes a fine, he gives no reasons. The statute provides for an appeal from the administrator based on natural justice, based on an erroneous finding of fact or a mistake in the law. How can a Canadian corporation or a Canadian individual exercise any kind of appeal that means anything if they do not really know what the decision of the administrator was? How can any member opposite defend the failure of the administrator, the lack of requirement for the administrator to give reasons for his decision?

I would be very difficult to find a more arbitrary procedure anywhere. The government says it is open to persuasion but not open to persuasion about how you get from the Anti-Inflation Board to the administrator. Neither the Prime Minister nor the Minister of Labour indicated there would be any easing of the lid that is really placed upon getting from the Anti-Inflation Board to the administrator.

● (2110)

The Prime Minister and the Minister of Labour said they were open to persuasion with regard to appeals from the administrator and as to whether the union would be given

the right of appeal. What must one do to persuade the government that this procedure is utterly arbitrary, without justification and at odds with our traditions of procedure? What must we do to convince the government that if it persists in its course, the Canadian people will not be persuaded that the legislation is fair and applied even-handedly. If the program fails, it will be a disaster.

I will not countenance defiance of this law, but I will not tolerate a government which polarizes the country and encourages people to protest against the program. This evening, that is the point we must consider. We must consider the government's approach to the question. It pretends that a reasonable appeal system is in being, when no such appeal system exists. The Acting Prime Minister (Mr. Sharp), the Minister of the Environment (Mr. Marchand), the Minister of Labour, and Postmaster General (Mr. Mackasey) understand these matters. Do they think Canadian people, particularly those in the labour movement, regard this procedure as fair?

One can find many faults with the program. I say to the Acting Prime Minister, through you, sir, "For God's sake give the program a chance. Pay some heed to the principles of natural justice and our traditions of judicial procedure and give the people a chance to support the legislation and the program."

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, in this evening's emergency debate we shall discuss two issues: the denial of natural justice to working people, particularly members of the Canadian Paper Workers Union who were dealt a cruel blow by the anti-inflation administrator, and the government's attempt, with its anti-inflation program, to destroy free collective bargaining as we know it. I have tried several times to move the adjournment of the House under Standing Order 26 in order to discuss these issues and I am glad that Mr. Speaker allowed this motion.

My colleagues, the hon. member for Timiskaming (Mr. Peters), the hon. member for Nickel Belt (Mr. Rodriguez) and myself made a fact-finding tour of some one-industry—paper industry—towns in northern Ontario affected by the paper workers' strike. We met workers and their families, civic officials and businessmen. We learned first-hand how the government's anti-inflation legislation has prolonged the strike of about 25,000 paper workers in this country, sometimes by more than seven months. We heard of families which had used life savings to meet expenses because the $20 a month strike pay was not enough. We heard of families who were thousands of dollars in debt, paying as much as 24 per cent interest on loans. We heard of families who had lost their homes through inability to meet mortgage payments, and of families separated from the breadwinner who had found a temporary job elsewhere in Canada. My colleagues will elaborate on these heart-breaking stories and will tell the House how the government, by its legislation, unnecessarily prolonged the strike to the detriment of many Canadian families.

Mr. Blais: That's baloney.

Mr. Symes: What astonished me most was the lack of Liberal members of parliament in those areas.

Mr. Rodriguez: They run and hide.

Mr. Blais: Baloney. We live there. That's totally false.

Mr. Rodriguez: You people run and hide.

Mr. Symes: The hon. member for Timmins (Mr. Roy) and the hon. member for Cochrane (Mr. Stewart) were not there, even though the workers had asked them to be there. I invite Liberal members from Port Arthur, Cochrane, Timmins or Saint John to return to their communities and explain the rationale of this program to the workers. Let them explain how only a short while ago in the 1974 election campaign those very Liberals argued against the kind of wage controls which this government has now imposed. They argued that the Conservative party would impose wage controls.

Some hon. Members: Oh, oh!

Mr. Roy (Timmins): Mr. Speaker, I think the hon. member for Sault Ste. Marie (Mr. Symes) referred to me in his remarks in a disparaging way. I think the next election will be held in 1978. I invite him to run in my riding, if he thinks I was not there. Then he will see.

Mr. Symes: Mr. Speaker, I think the hon. member's constituents will make the proper decision in 1978. We will not see the hon. member back in the House. The Liberal party won the federal election by opposing wage controls. Now, with its program which discriminates against the labour movement, it has completely reversed itself. I shall show how the program this government instituted has victimized the Canadian Paper Workers Union and has actually destroyed the well-being of thousands of workers. Many of those workers have been on strike since July, 1975. They bargained in good faith in the spring of the year, long before the Prime Minister addressed the people on Thanksgiving Day. Previously, the paper workers had entered into a two-year contract. During those two years the paper industry made tremendous profits. The paper industry in Canada quadrupled its net profits, after taxes, from $79 million in 1972 to $320 million in 1973.

Mr. Benjamin: Where were the controls then?

Mr. Symes: It more than doubled its profits in 1974, to $685 million. What did one hear about controls in those days? We suffered from price inflation the extent of which this country had never seen. Yet the government made no move to control that inflation. Meanwhile, the workers were locked into a two-year wage contract. Incidentally, we have yet to see the Anti-Inflation Board make one ruling with regard to rolling back prices.

Between 1973 and 1975 the paper industry increased the price of a ton of newsprint by 52 per cent, and the price of a ton of bleached kraft pulp went up by 118 per cent. In December, 1974, before collective bargaining had begun, Abitibi offered a one-year extension of the wage contract. The union locals turned it down, rightly, since in view of the company's astronomical profits it could afford to pay more. They also argued that they could not accept that kind of a wage offer because just previously the woodland workers, with whom they had always a historical wage relationship, had settled for a higher offer. Meanwhile these great corporations, these good corporate citizens, had been running the mills seven days a week and had been stockpiling paper for over three years in anticipation of a strike. That indicates they were not serious about getting

down to real collective bargaining and bargaining in good faith, not when they were making that kind of inventory build-up.

● (2120)

Bargaining began with Abitibi in May, 1975. The strike began in July, after an attempt at conciliation failed. We have other evidence that the companies were not interested in good faith bargaining, that they had a secret arrangement to supply one another in the event of a strike should any company run short of supplies. My colleague, the hon. member for Nickel Belt (Mr. Rodriguez), will elaborate on this.

What really threw the monkey wrench into the collective bargaining process, besides companies that were not ready to bargain in good faith, was the Liberal government in October, 1975, bringing in a wage control program. Make no mistake about it, that is what it is. It is not a wage and price control program, but a wage control program.

The paperworkers' unions were naturally shocked. They assumed there was some sense of principle left with the Liberal government. They read the white paper that said we will set out a guideline of a 10 per cent increase, but we will look at such things as historical relationships, as they did in the case of inside postal workers and letter carriers.

The paperworkers' union bargained in good faith, assuming that the Anti-Inflation Board would look at the natural historical wage relationship between paperworkers and woodland workers. They thought they would get a fair hearing from the Anti-Inflation Board set up by the government. The companies knew better. The people of Canada certainly know better now about the kind of justice they can get from the Anti-Inflation Board.

While this process was going on with regard to the Irving Company in New Brunswick, the other paper companies throughout the country were not bargaining in good faith. They were hiding behind the anti-inflation guidelines and waiting to see what would happen in the Irving case. The necessity for a speedy decision was evident. We tried to get some kind of information. We put pressure on the Anti-Inflation Board through the government to get a speedy decision so that the bargaining process could resume.

The Irving settlement of a 23 per cent wage increase in the first year was turned down by the Anti-Inflation Board. It ignored entirely the legitimate historical wage relationship between woodland workers and paperworkers. If we think of any sense of elementary justice, surely at the stage when the Anti-Inflation Board turned down the wage settlement the workers who are directly involved as well as the company, who without a strike reached that 23 per cent wage agreement and under provincial labour legislation were bound to abide by that collective agreement, surely both parties should have had the right to appeal to the Anti-Inflation Board and argue their case or get an appeal beyond the Anti-Inflation Board. However, that is not the way the government sets up legislation. The way this legislation is set up, it—becomes very hard. The government does not want appeals. It does not want workers to argue in a logical fashion. It would rather provoke them to go out on strike in defiance of the law of the land.

[Mr. Symes.]

The only way you can get an appeal under this farce of a law the government has created is for the company first of all to disobey the recommendation of the Anti-Inflation Board for a wage rollback. Only by challenging the ruling of the Anti-Inflation Board can the case then go to the administrator. Only when the administrator makes a ruling, and then one of the parties launches an appeal against the administrator—

An hon. Member: The employer.

Mr. Symes: That is the point I am coming to. We assume that, if we had natural justice, either the labourers directly involved by the administrator's decisions through a wage rollback or the company would have the right of appeal. However, the recent decision by the administrator in the Irving case indicates that only the party which the decision was charged against, in this case the company, has the right of appeal to the appeals tribunal.

Where is the elementary sense of justice in that? Only one party, the party that the administrator directly makes a ruling on, can appeal. The thinking behind the administrator's decision is confidential. How can you launch an appeal if you do not know how to argue against the ruling you are trying to appeal because you cannot see the evidence? That kind of a system is a farce and a sham.

We hear from the Liberal members that there is the right of appeal to the cabinet under Section 24. That is a real impartial body. My God, Mr. Speaker, it is the very minds that designed the legislation in the first place. They designed the controls program to thwart the appeals procedure process. Do you think you can get a fair hearing before the cabinet? Can you argue your case? Can you engage in dialogue with the cabinet? This afternoon in this House we heard the Prime Minister (Mr. Trudeau) say everything is fine. He does not see anything wrong with the principle of this procedure. This evening the Minister of Labour skirted the issue entirely. What kind of reception or hearing will working people get under that situation? It is incredible to think that there is any real appeal procedure in this legislation.

This anti-inflation program set up by the government and administered by the Anti-Inflation Board and the administrator is one step closer to the destruction of basic human rights in this country. Let us not make any mistake about it. When you look at the government you see that at a moment's notice it could introduce the War Measures Act that destroyed civil liberties and threw people in jail without real evidence. Now we see this kind of program and what it does to natural justice in terms of appeal. Before, we had a War Measures Act. Today, we have a wage measures act. We are coming one step closer to authoritarianism and the destruction of the collective bargaining process.

The government deliberately set out to have the Irving Paper Company fined. It was not interested in hearing appeals on a rational basis or considering historical relationships. It wanted to make an example of this dispute between the paperworkers union and the Irving Company as a signal to every other corporation in this country that if they dared go beyond the guidelines they would get the kind of treatment that Irving got.

The point that should never be forgotten is that that was a blanket and arbitrary kind of rule. It does not take into account past profitability of a company or that Irving, Abitibi, and every other paper company in this country can afford more than a 14 per cent increase in the first year of the wage contract and quite legitimately so. The government is out to put the law of the land behind the employers and to point out to employers that they dare not defy.

● (2130)

Employers, in turn, can say to their workers, "What is the point of asking for more than 10 per cent because, as you know, we shall be fined if we go beyond it? What is the point of going on strike? We, as employers, have the law behind us and we just have to hold out until you people starve or until"—as is probably the case with the paper workers—"you reach the end of the financial resources at your disposal."

A strike is a last resort: it is not entered into lightly. When we look at what is being endured by the families of the paper workers, we see evidence of this. But it is a right, it is a hard-earned right, and it is a right in law. Through its anti-inflation legislation the government is destroying the validity of a strike because it is saying to the companies, "Don't worry about your workers going on strike. We, through the Anti-Inflation Board, have put the law of the land behind you. The guidelines will be enforced and the workers will soon get the message that there is no point in striking."

When you strip away all the rhetoric used by the Prime Minister (Mr. Trudeau) and the Minister of Labour (Mr. Munro), what they say comes down to one thing: the government is going to fight inflation on the backs of the workers. It is setting out, in a systematic way, to pick on one union at a time, to crush them as they have attempted to crush the postal workers, to make examples of them or, as in the case with the paper workers and their families, to deny them a legitimate wage increase based on historic wage relationships and the profitability of the company.

We have not seen one price roll-back under this anti-inflation program, yet we have seen roll-back after roll-back in the case of wage settlements. To pretend, in these circumstances, that we still have free collective bargaining is to bury one's head in the sand. The government is embarking on a course of confrontation. It is promoting civil disturbances because it is undermining a right which is established in law, the right of workers to take strike action if they consider it to be necessary. What we are considering is a backward step, a regrettable program, and I urge the people of this country to stand up and call for the withdrawal of such an inequitable program.

[*Translation*]

Hon. Jean Marchand (Minister of Environment and Minister of Fisheries): Mr. Speaker, I understand quite well that—

An hon. Member: He knows nothing about conciliation!

Mr. Marchand (Langelier): No, I am quite sure that I do not know about it as much as the hon. member, but as I spent 23 years there, I am perhaps entitled to speak about it and perhaps as intelligently as the hon. member who cannot refrain from shouting!

Mr. Speaker, I wish to deal briefly with the problem confronting us as well as the Canadian people and which affects workers. I would like to do so not in a demagogic manner but as sensibly as possible.

When it is objected, as we have just heard, that workers have suffered during a long strike, that they have lost their house, that they have paid high interest rates, I understand it because I have probably been through that more than the hon. member. However, we cannot choose at the present time between such a situation and an ideal situation, because we are going through an inflationary period and some people are suffering while some non-union workers are losing their house and their means of living. The question is not to decide whether workers lose something when they go on strike.

In the past, there was no control over the so-called free collective bargaining. I noted it myself when I was a leader of the asbestos strike. There was no obstacle to free collective bargaining. However, the workers remained on strike for four months and a half. We saw those things. The legislation does not necessarily edict that, precisely because our collective bargaining system gives rise to a conflict situation.

And as to the historical link in pay rates, Mr. Speaker, really one must have never negotiated in his life to know that there is no such thing as historical links in pay rates because those links are continuously upset by the relative strength of the parties. At a certain moment, the employer is stronger because the cycle is downward, so he can prevent salary increases. At another moment, the union is the stronger and it gets salary increases unheard of before.

Take the case of the teachers in the province of Quebec and even Canada as a whole. Can you imagine that in 1959 the relationship in salaries with those paid in industry was comparable to what it is today? Everything is changed altogether. And if you want to talk about the pulp and paper industry, fine. The relationship between the pay rates of papermakers who traditionally were represented by the International Brotherhood of Papermakers and the salaries paid to other employees at the plant who were represented by the Pulp and Sulfite Workers of America have always been different because precisely employers preferred to give 10, 15 or 20 per cent to papermakers and force the guys with the pulp and sulfite workers to follow, which resulted in depressed salaries for the pulp and sulfite guys and very high salaries for papermakers.

Do you know how much a machine tender earns, Mr. Speaker? Eleven dollars an hour, and I do not blame them for it. That represents $22,000 a year, without counting overtime. I do not say that it is excessive, I simply say that comparisons are a hoax.

Now the legislation is passed, Mr. Speaker. I find it to be imperfect and I would not be prepared to die for that anti-inflation legislation. What choice do we have in front of inflation? If we let it run away, of course, everyone will say: What is the government doing against inflation? People on fixed incomes, unorganized people will suffer from inflation. The organized workers are not the ones who will suffer, but the unorganized will.

Then, we merely say: What does the government do to ward off inflation? What can we do against inflation? Many things. For instance, there is what we wrongly believed in 1974 when we said to the parties: Try to lower your sight as regards both wage and price increases, that is use the voluntary system among unions and businesses. That proved to be a complete failure. It took the English workers, the Trade Union Congress, which is as important as the Canadian Labour Congress, to defeat two socialist governments before accepting, in 1975, the voluntary control of salary increases. They destroyed their own political party before accepting voluntarily salary restrictions. We tried the same approach in 1974. Some ask: How come you have changed your mind? We have changed our mind because we were wrong, and this I confess, we were wrong in believing that the various parties would voluntarily accept to restrict their claims, price increases, and so on. This was not done. I have always entertained very serious doubts about that because, precisely, our collective bargaining system is not based on a rational process but exclusively—perhaps not exclusively but almost so—on the balance of forces between the parties. That is how our system works. Not only is it working like that, but people want to keep it that way.

The right hon. Prime Minister (Mr. Trudeau) has met Mr. Morris some time ago—and Mr. Morris has said so in an interview he had given—in an attempt to convince the Canadian Labour Congress and all the other trade unions that we must try and widen the scope of the collective wage agreement.

It is precisely because we had problems like the handling of western grain when either the grain handlers, the railway workers or the longshoremen went on strike in the West. That is when we see the western members of the New Democratic Party torn between two things, between their so-called labour constitution and the interests of farmers that they want to keep on their side. Obviously the government must legislate all these people back to work.

For that matter, the Conservatives take the same position: What is the government doing to put an end to the strike? Yet all we wanted was first to prevent the grain handlers from going on strike and from stopping the movement of grain in the West, and then to prevent the railway workers and longshoremen from going on strike. And Mr. Morris said: "What Mr. Trudeau wants is to centralize." But that makes a lot of sense and when there is a strike affecting western farmers, I am anxious to see what will be the attitude of our good friends of the New Democratic Party. Why did they not tell the farmers: Come on, pay more, let the workers get more. No, all we get is a big silence and the usual attitude from people who are afraid to stick their necks out.

Mr. Speaker, we had the choice of referring to the parties and in so doing, true democracy would have prevailed. If both parties, the union and the employer, had said: Because of inflation, since it is in the national interest to do so, we shall try to restrict our demands. But this cannot be done and it does not mean there is a lack of good will but the system is built that way. The unions in our country are modelled after the capitalistic pattern. I am not implying they are capitalistic but they bargain in the same way.

[Mr. Marchand (Langelier).]

Some asked: What is the Wagner Act?. When the Wagner Act was passed in the United States, in 1934, what did it offer which was really new? Two things. It gave the unions the sole responsibility for union representations and at the same time it protected the employer against the AFL-CIO wrangling over union jurisdictions in the United States.

Both parties were very pleased with this extraordinary solution which Roosevelt had found, because the union had the monopoly of representations and the employer was protected against interunion competition. How does the system work out? It operates in such a way that the party which is in a power position will take as much as it can out of the other at a given moment. That is the way it operates.

● (2140)

And that is exactly what the employer does with prices when he tries to get all the market can bear, that is the customers can pay. Now, in times of crises, that cannot be allowed, so the system must be changed slightly. There are those who claim or have claimed that the Anti-Inflation Act denies free collective bargaining. That is not true, Mr. Speaker. To say that is sheer demagoguery. During the war, we had the Wartime Prices and Trade Act. Everything was frozen. The only increases allowed were limited to 25 cents per percentage point increase in the cost of living index. In addition, attempts were made to eliminate glaring disparities and injustices, that is to say, labour councils were only allowed to grant increases where glaring injustices or disparities existed. They had full discretionary powers in that regard. They could deny or remove the right to strike and, notwithstanding that, the labour movement survived, Mr. Speaker. Not only did it survive but it became stronger during the war. I did not like the system. I was in the labour movement at the time and felt naturally that it was a burden for the strongest. For the strongest unions, it was a burden, but for the weaker, it was some sort of relief because, as they could not resort to strikes, they went before the Wartime Labour Board and through it got the salary increases they could not have obtained through their own economic strength.

We have the choice between free negotiations between the parties, bearing in mind the common good, or resorting to a system of controls. We could consider controls under the War Measures Act, but it would mean that before they could be implemented, many would have been strangled by inflation in the country.

Then that solution was put aside. So we tried to attain our end promptly without depriving unnecessarily the workers and the employers of their basic rights, while keeping as much freedom as possible and avoiding setting up a whole institution which would have taken a very long time to build and a very long time to destroy, because I was in the group who came here in Ottawa in 1946-47 with Pat Conroy and Percy Bengough. We came here and asked for the maintenance of price and salary controls, since we were afraid that prices would soar because of the shortages due to the war. I came here in Ottawa. Maybe several members were not even born at that time. They do not know what happened, but I do, and the labour movement was asking for this.

Some hon. members speak of the right to appeal. The way they want to interpret it means on the whole that they

are against the anti-inflation program. It means that they are against the guidelines because, even if there were appeals, the appeal tribunal would be bound by those guidelines. It would be impossible to allow more than 8 per cent, plus 2 per cent, plus 2 per cent for catching up, and 2 per cent for productivity. In fact, there is no right to appeal and if appeals were allowed—

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): —of course they are not, that is to say, Mr. Speaker, it is possible to appeal from the interpretation of the guidelines, but not from the guidelines themselves. They are included in the legislation and must be complied with.

Now, if we are talking about an appeal which would allow, for example, the paper workers to get an increase higher than that provided by the guidelines, those workers will argue that the wage relationship between the pulp and paper workers and the woodworkers is no longer the same. Then, let us cancel the program and allow inflation to get out of control, or else, let the New Democratic Party table a resolution asking for a wage and price freeze and a return to the wartime system. If this is what they want, let's play fair. As far as I am concerned, I do not like the program, I would prefer the free bargaining system across the board. We tried, but it did not work. Nobody in the Canadian public would forgive us for doing nothing under the circumstances.

What does the New Democratic Party do, Mr. Speaker? It simply stirs up certain groups of workers who are not the most in need in our society, without offering a worthwhile solution. When you talk about the right of appeal as a right enabling workers or trade unions to go beyond the guidelines, this means that these guidelines are destroyed. And what is proposed if they are destroyed? Yes, they are destroyed without any doubt. I say that all trade unions have a valuable argument about catching up and if pulp and paper workers can catch up, the woodworkers will then say: Well, before that we had such a relationship with pulp and paper workers and we want to maintain it.

And if that is it let us say so frankly, let us stop beating around the bush; this is unpleasant, this is clearly unpleasant. I simply say that it is not true that we have killed the free bargaining process. Now, we are threatened here, we have heard those threats. The Canadian Labour Congress will pull its representatives out of the federal agencies. Well, the CNTU did that several years ago. Let us not forget that, for all practical purposes, the CNTU pulled out of the federal agencies five or six years ago, to my knowledge. It does not even submit any brief. This is what makes me smile, as I know something about the history of the unions.

I remember very well that in 1926, five years after its creation in Hull, the CNTU asked to be accredited by the Minister of Labour. It wanted to be recognized. What is the history of Canadian unions before 1944 or 1945? It was a struggle for recognition by the employers and the government. In Ottawa, the federal government—

● (2150)

[*English*]

An hon. Member: It was the Liberal government.

Mr. Marchand (Langelier): It was the Liberal government that enacted C-103 in 1945 which compelled the employer to recognize the union. Don't forget that.

[*Translation*]

I do not know whether those hon. members can do anything else but shout, whether they can have some valid ideas. I simply suggest that before that time, there was a fight for employer recognition of the union, and then a fight for collective bargaining in order to try and get better conditions.

Unions succeeded in obtaining that the law itself force employers to recognize unions. The second fight by unions was to get government recognition, labour relations boards' recognition, recognition wherever they had interests. The government finally yielded, all governments finally yielded in Canada. Now they are threatening to remove themselves the rights they fought very hard to obtain. Such is the meaning of this.

Who are they threatening in so doing? Nobody but themselves. How come, Mr. Speaker, and this will be my final point although I could go on for a whole hour, how come that labour unions which are—

Oh, stop those shouts through your nose, you wake up people! How come, Mr. Speaker, that labour unions are fighting with employers—

Mr. Deputy Speaker: Order, please. I would ask hon. members to let other members speak. Tonight's debate was requested in order that the views of the various parties be heard. I believe the minister has a right to be heard.

[*English*]

I think the minister has the right to be heard, and should be heard in this House.

[*Translation*]

Labour unions have diverging interests from employers and have always been fighting them. They would not accept for a moment that employers cease to recognize them. That is basic, it is now included in our law. It is an essential aspect for the labour movement's and the workers' future. They not only ask employers for recognition, they also made strike after strike to get it. They even fought for government recognition. And now comes that great threat, they now tell us they will cease to recognize the government. The Federation of Labour in British Columbia stated they were following instructions from the Canadian Labour Congress. It is the first time I hear a labour federation or Canadian unions say that they obey the Canada Labour Congress. It is the first time in my life. It is only because they hide behind the congress in an attempt to force acceptance of things which they find it difficult to live.

Then, Mr. Speaker, this threat could as well be carried out. I do not like to say that the right of appeal will give additional rights to workers as I do not believe it. If a more perfect system were proposed I would agree to support it, but if the only things we can expect from this House are demagogic appeals or suggestions which do not improve the situation I consider that we do not serve the interests of workers, of unions, nor those of the people of Canada.

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I shall first thank the Chair for allowing us today to discuss a

point extremely important as it affects the life of workers and Canadian companies generally.

I listened carefully to the Minister of Environment (Mr. Marchand) who seems much more comfortable as Environment Minister than as Labour Minister. I can understand him very well as he spent, like he said, 23 years in the field of labour management relations and we can very well understand why he talked tonight with so much enthusiasm about a subject he knows so well.

However, I regret that the Minister of Labour (Mr. Munro) was not as eloquent, as straightforward and as clear as the Minister of the Environment. The Minister of Labour did not answer the question before the House tonight, the right of appeal of workers and companies concerning the anti-inflation act. The Minister of the Environment blamed us for fighting the anti-inflation program saying that we did not really wish to stop inflation.

Mr. Speaker, we do not object against the concept of an anti-inflation program, but rather the anti-inflation program of this government. Yet, the Minister of the Environment did not say anything about the causes of inflation. What is the use of talking about the consequences of inflation, of repeating that it has to come to an end, long and passionate speeches which not come to anything, we must truly put an end to inflation.

Nothing is said about what brought it to Canada. Yet, I do remember that within six years this very government has doubled the interest rate in this country and when one considers, for instance, the cost of family houses, one realizes pretty well that the cost of housing is part of inflation. But nothing is done about interest rates. Since the Anti-Inflation Board has started its operations, we have never heard its chairman or any of its member say that they were going to analyze, scrutinize, and if necessary condemn the financial institutions of this country. Not satisfied with plundering the poorest among Canadians, putting them on welfare or just giving them small jobs between two unemployment periods, now they want to fight the well to do through the Anti-Inflation Board.

● (2200)

Mr. Speaker, it is unfortunate—and hon. members of the New Democratic Party are quite understandably alarmed by this situation that has been known for a few days—that the Anti-Inflation Board decisions be practically without appeal. If the government could tell us that this situation will last only one year, but we know perfectly well that this government does not want to be too specific about the period during which this Anti-Inflation Board will be in operation. Nor does it want to give us any assurance about the period during which there will be no appeal procedures in Canada.

And we also know very well when a socialist measure is introduced, for instance during the last world war when direct taxation was removed from the provinces and given to the federal government, supposedly as part of the war effort, it was never returned to them. And when one considers this legislation, one realizes that we have just removed the right to appeal in labour bargaining. Therefore, I am concerned about the fact that this government does not give us any guarantee as regards the period during which the appeal procedure will be suspended.

[Mr. Rondeau.]

Mr. Speaker, I regret that the Minister of Labour (Mr. Munro) has not been as specific as the Minister of Environment, who spoke frankly and said that this board's decisions were without appeal. One cannot argue about such a frank, clear, obvious and precise answer. Now, Mr. Speaker, in co-operation with my hon. friends, my hon. colleagues from the NDP, I deplore this situation but not for the same reasons as they do.

We have already begun to realize a few days ago, and tonight in particular, the dictatorial approach that the Anti-Inflation Board has taken and which will be worsening throughout Canada, leading the private sector and the working people to be held within the framework of this board's regulations, that will be made as required, at a moment's notice according to the whims of these hon. mandarins.

Today, we can therefore judge the first decisions of the Anti-Inflation Board. The chairman of the board, Mr. Pepin, said that the board will be strict, that it will be indulgent, that it will be inflexible, and that it will be flexible. In other words, we can expect anything from the board as concerns regulations and the day to day interpretation of these regulations. But the chairman forgot to say that the board would be useless to control inflation.

Mr. Speaker, we spoke against the anti-inflation legislation because, as Social Crediters, we are convinced that this legislation will be completely useless to control inflation, but will be very effective when it comes to creating problems for everyone. Why? Because the board has extraordinary and anti-democratic powers. The board is not a department. It is not accountable to the public like all hon. members of this House who have been elected by the population.

The population voted for representatives who had promised to control inflation and not for members of Parliament who will hide behind the socialistic decisions of the board. The powers and the immunity of the board are stronger than those of any department. The powers of the board are such that it can do anything. Indeed, its chairman said so: it will be strict, indulgent, inflexible and flexible, strict and inflexible. Unfortunately, Mr. Speaker, what will happen is that the board will be strict and inflexible towards the weak and private enterprise and indulgent and flexible towards the strong and especially finance which will not be touched by it. The board will pit the weak, those who have already been deprived of everything by governments, against private enterprise to create a favourable climate for the introduction of legislation which will be even more socialistic than at the present time.

Instead of trying to control finance which stifles private industry, wage earners and low income people, the board will pit low wage earners against private industry, creating the impression that if the economy is so bad in Canada, we must put the blame on private industry and not on finance. This habit of accusing private industry is well in line with the duties of the board. That is also in line with the attacks of the right hon. Prime Minister who stated recently that private industry no longer works in Canada.

The Trudeau government used every possible means to kill private industry and now, to finish it off, the Anti-Inflation Board will make it easier to run private industry

right into the ground. Mr. Speaker, they curtail an industry's operations then after blame it because it does not work. The board has a socialist duty to do. That is why it has been created. Inflation is only an excuse for its institution. Inflation is only an excuse for the government to create a board which will certainly control the whole economy. The collective agreements which the Minister of Environment (Mr. Marchand) just mentioned—or which he is dreaming about—have disappeared from our employer-employee relation system because the government cannot give any guarantee as to when the right to negotiate will be there again.

Mr. Speaker, they would have us believe that the Anti-Inflation Board was a temporary measure. Maybe it will be temporary but the tentacles and the traces it will have engendered will remain as long as other much more realistic, more sensible and less socialist economic measures are not devised to stimulate the general economy. The Anti-Inflation Board could have tackled the monopoly of finance which is causing our current economic confusion and inflation. We do not control causes of inflation but the results.

We will have to deal with the consequences of a bad financial system monopolized by the banks which today endangers the private sector by causing inflation. Bank monopolies make billions in profits every year but the board will not touch them. It would much rather concentrate on the few hundred thousand dollars of profit in the private sector.

The government wanted to lay its hands on our production system in Canada and the best way to succeed was to create an Anti-Inflation Board to harass the private sector which has already been affected by the bank monopoly. There are a number of businessmen who have now acquired the mentality of those who live off the welfare system. They have no more motivation, no sense of risk, no love for work left. They were ready to invest more in the economy of the country, but to do so they would have needed the confidence of the government. Governments should treat them as responsible individuals, responsible for our production and not for causing inflation, as the Anti-Inflation Board seems ready to do. Facing the socialist threat of our present government, they are ready to liquidate their business, restrain their activities, reduce their risks and emigrate somewhere else, as many others have done in the last five years.

When they see our government ministers, or the right hon. Prime Minister on television, or when they read the newspapers which are constantly telling us that we are going towards a new society, Mr. Speaker, businessmen in Canada soon understand that Mr. Trudeau's new society is a socialist one and this is why all sense of risk and all motivation in business tend to disappear.

We are strongly opposed to the last decision of the socialist board of Mr. Pepin which levied a $125,000 fine against the Irving Pulp and Paper Company. Not because this fine will bankrupt the Irving Company but on a question of principle. The Irving Company wanted its emplyees to share the profits but the board has just directly penalized the Company and fined it and indirectly fined its employees as well.

Irving Pulp and Paper Limited has just been fined directly, as well as its employees and pulp and paper workers in Canada. Mr. Speaker, that Anti-Inflation Board is an almighty bureaucracy and I wonder how far the government will go in bureaucracy in its future decisions. In certain socialist countries, we saw management-labour relations disappear from collective agreements; they disappeared and were replaced by bureaucracy.

A little later, justice disappeared and was replaced by bureaucracy. Well, Mr. Speaker, when a country takes the road toward socialist bureaucracy, there is no limit and that is why we Social Crediters voted against the anti-inflation legislation. We are against inflation, but we are also against the steps taken by the government because as days go by, the board will increasingly give disappointing results. It will give everyone a bad time and will not control inflation because it will not deal with its causes, but only its consequences.

• (2210)

[*English*]

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, a few moments ago we had the unusual pleasure of listening to the rhetorical flights of the Minister of the Environment (Mr. Marchand). I must say I enjoy a good speech as much as anyone else, but I would have enjoyed his speech much more if he had stuck to the point of the resolution before the House.

This resolution is important. It talks about the breakdown in our society of the relationship between the various elements of society. One of those important elements is organized labour. Others are management, government, business and industry. However, what the minister talked about was the failure of or the difficulties in the adversary system. He talked about confrontation and about the intervention of parliament into organized labour-management matters, as we have had to do from time to time, and every time we have done that we have really stuck a dagger into the heart of the collective bargaining process in Canada. When we have had to do that, something has broken down.

An hon. Member: Oh, oh!

Mr. Baker (Grenville-Carleton): I do not expect the hon. member sitting groaning in the background to understand this at all, but I do expect him at least to listen.

An hon. Member: Stick to your notes. If the minister did not speak to the point, why don't you?

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Grenville-Carleton (Mr. Baker) has the floor, and I wish he would stick to the subject.

Mr. Baker (Grenville-Carleton): The itinerant professor from the backbenches is interrupting the debate again, and I am sure he does not intend to add anything more to the debate than perhaps the occasional "hear, hear" or "no, no", and in terms of this debate he will go down in history recorded in that way, as he did yesterday.

Of course the system is imperfect. That is really what the minister was saying. He talked about intervention in the system, but what is happening here, and what worries

me about the speech of the minister, is that he threw down a gauntlet to organized labour.

I carry no particular brief for organized labour any more than I do for management or government, but if there was anything clear in the speech by the Minister of the Environment, or anything which rang true, it was that the free collective bargaining system has been interfered with, in some cases stopped, and in the case of the employees of the Irving Company—this is the group of employees we are talking about—certain rights have been denied them. The minister can argue that it is necessary perhaps in the public interest. He can argue that the adversary system is not working, but I suggest that what has happened here is that the collective bargaining system has in fact been interfered with.

We can talk about getting to the root causes of inflation and other difficulties, but in terms of the motion before us it was made amply clear that what the Leader of the Opposition (Mr. Stanfield) has been harping on for the last few days in the question period, and a long time ago with respect to questions in the House, is that when the Prime Minister (Mr. Trudeau) and the President of the Privy Council (Mr. Sharp) tried to tell the House that the collective bargaining system was still intact, the most charitable thing which can be said is that the President of the Privy Council and others do not know what they are talking about.

Tonight the Leader of the Opposition made a very forceful speech. It was one of the last speeches he will make in this House as Leader of the Opposition, and I do not have to tell hon. members his position in the eyes of most Canadians as a man of integrity. What he cried out for tonight, and what he asked the ministers one by one as he went along the front benches was very simple. He asked them to make a very simple inquiry. He asked them to look at that legislation and see the extreme limitations of appeal, which are referred to in the motion by the hon. member for Oshawa-Whitby (Mr. Broadbent).

The speech of the Leader of the Opposition was applauded by hon. members on all sides of the House, and he asked each member to search his heart and his conscience, and to ask himself whether it is right, fair, just or equitable that a group of Canadians, by the accident or otherwise of draftsmanship, should be denied what is really the fundamental right of citizens in a free society, the right to appeal from a decision of an administrative tribunal.

The Leader of the Opposition asked that simple question with quiet eloquence, as befits him. That is not to say he was not moved. He was very much moved about what he said. No person in this House has been more in pursuit of what could be called simple justice for Canadians than the Leader of the Opposition.

Some hon. Members: Hear, hear!

Miss Campbell: Oh, oh!

Mr. Baker (Grenville-Carleton): I ask the hon. member who just interjected to look at the bill. She is a lawyer, and probably a pretty good one. I ask her to look at section 30 of that statute and ask herself whether in terms of section 30 the working men and women of Canada, who might be caught in a similar situation as these working men and

women of the Irving Company are caught have the same right of appeal or have a real right of appeal to some tribunal to have the matter at least heard regardless of what the tribunal may find.

Surely no one in this House, whether he is Liberal, Conservative, New Democratic or Social Credit, could deny the simple fact that the right of appeal is essential. The right of access to the court is an essential part of Canadian justice. The right to know the findings against which an appeal has been made is an essential piece of our jurisprudence.

I referred earlier to a drafting accident, and if this is a drafting accident by someone in the Department of Justice, perhaps it should be looked into. As I listened to the Minister of Labour earlier tonight, I did not think it was looked into. I am sorry he is not in the House now. He was given extended time by this House as a matter of courtesy, and he talked about a tripartite labour council. He talked about the important things upon which it has embarked, the new studies and the things which might replace the adversary system in collective bargaining and which might make the system work, make it more human, and more responsive to the twentieth century. Perhaps replacing the adversary system in some way could be the answer. All of those things may be worth-while, and any investigation would be supported by every hon. member in this House.

I want to say to the Minister of Labour—and I hope he reads this—that if he allows this opportunity to change an unjust society to go by, if he permits this polarization and removes from a segment of our society certain rights and does not give those rights which should apply to every group in Canada—in this particular case working men and working women coming under the aegis of the Anti-Inflation Board—then all the things we want this tripartite council to do will be washed away.

I cannot believe—and someone told me I am a fool not to believe it—that the government would be so foolish as to try to polarize the elements of society in order to create a situation which would call for an election. I cannot believe they would do that. Whether that is the motive, or whether it happened inadvertently, the effect is exactly the same. The peace we want in our society, the industrial peace, the productivity which everyone tells us we need, the incentives we must have if we are to grow, to build and to create a better life for other people, the justice of the just society—which was the catchword a few years ago—will be washed away if we allow this polarization to take place.

● (2220)

I ask members of the House, and the government, to look at the appeal procedures in Bill C-73. A program like this requires some rough justice, and that has been admitted. That it should go on for an indefinite period is wrong, I think; but that it should go on even for a short period, defective in so far as the right of appeal is concerned, is also wrong and this government should admit that and make changes. If it does, it will have the support of all members of the House of Commons. If it does not, it will have to reap the whirlwind of denying that right to a large number of men and women who work and are in unions, unions to which the government has said they give sup-

port, involved in the collective bargaining process, a process which they say they support.

I am not carrying any brief for them, Mr. Speaker, and I want the House to understand that. I am carrying a brief for justice, equality and good conscience. If the government denies that right of appeal which is symbolic, and these three matters which are important in a free society, then it is denying to a large group of Canadians something they ought to have. The system could operate satisfactorily if they had those rights.

Some hon. Members: Hear, hear!

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I was interested to hear the Minister of Labour (Mr. Munro) apologize for the so-called anti-inflation program. We all witnessed some of the scenes on television. The minister said he had gone before organized labour and presented the case of the government for anti-inflation and organized labour supported the anti-inflation program. Does the minister forget that we saw the way he was booed at the CUPE convention in Toronto? Does he forget that he was booed in my own riding of Nickel Belt when he came there to sell the trade union movement a bill of goods? He was not permitted to finish his speech because the workers in the Sudbury basin thought he was coming to sell them the way to wage controls.

We also saw the minister booed when he spoke to the British Columbia Federation of Labour and tried to sell them the same bill of goods. He was booed when he went to Newfoundland and spoke to the Newfoundland Federation of Labour. This is the minister who gets up in the House, sweating and panting and trying to put across to the House the message that there is support in the trade union movement for the government's wage controls.

Do we forget that the minister was silent—but of course he was taking the treatment then—when the former minister of finance and other ministers were going around naming labour as the scapegoat for inflation? That minister sat quietly even though he was minister of labour. The Minister of Agriculture (Mr. Whelan) will at least stand up for the farmers from time to time, but the Minister of Labour was silent and he was condemned by his silence. Now he comes along, belatedly, saying he has the support of labour.

Next we have the spectacle of the hon. member for Langelier (Mr. Marchand), the Minister of the Environment, the minister who has run through so many portfolios in the cabinet that he has only three or four left. He got up and patted himself on the back; I was surprised that he did not break his arm through doing so. He told us what a friend of labour he is, that he was 23 years in the labour movement. All I can say is—

Mr. Roy (Timmins): That is longer than you have.

Mr. Rodriguez: Why don't you get up and make a speech?

The Acting Speaker (Mr. Turner): Order, please. Would the hon. member please address the Chair?

Mr. Rodriguez: The hon. member for Timmins (Mr. Roy) should be as vocal in his riding about the injustice of this legislation as he is in the House. He is a great defender of the workers, Mr. Speaker.

Mr. Roy (Timmins): I have already defeated two of your party; sent both of them down.

Mr. Rodriguez: I have already defeated two Liberals. The minister was patting himself on the back. From the condemnation of labour that he has displayed in this House, I can only say he has come a long way since those 23 years when he was active in the trade union movement. Give a man a ministry and a chauffeur to drive his limousine and he soon forgets his roots. The minister said quite bluntly that there was no historic relationship in his wage control bill. He also said, in effect, that the trade union movement needs to be controlled in terms of wages.

Mr. Speaker, last year 90 per cent of the wage contracts in this country were settled without strikes or disruption of services. Surely we will hear shortly from the Postmaster General (Mr. Mackasey). We know what he has on other occasions; he has said that patriotism is important in wage control bills. I was on the fact-finding trip to New Brunswick to look at the situation with regard to the Canadian Paper Workers Union. Let us consider how dynamic, radical and left-wing those unions are. We seem to think we are talking about workers who would strike at the drop of a hat. The pitworkers' union in Grand Falls, Newfoundland, has not been on strike for one day in 60 years. Paper workers at MacMillan-Rothesay Company, a subsidiary of MacMillan-Bloedell, were out for three weeks in the last ten years. At Irving Pulp and Paper Company, workers have been out for eight weeks in the last 30 years. Workers at the Miramichi Timber Resources Company have been out for eight days in the last 30 years.

Are these radical workers? It is not in the nature of workers to strike. It is not in the nature of workers to walk the picket lines without a pay cheque coming in. May I remind the fat-cats in this House that it is the nature of workers to earn money and to keep their families with their heads held high. These are the kind of workers this legislation works against. Do I see the government moving as resolutely against prices? Why could we not set up a system which says that no prices will go up until approved by the Anti-Inflation Board and then the administrator?

● (2230)

An hon. Member: It is the same process.

Mr. Rodriguez: It is not, and the hon. member knows it. Every week I have supplied the Minister of Finance (Mr. Macdonald) and the Anti-Inflation Board with a monitored price list of those items constantly rising by 10 per cent, 20 per cent and even 25 per cent, but have not seen any action by the Anti-Inflation Board to deal with my complaints. At the same time workers' wages are effectively controlled. Not only that, the collective bargaining process is dead, deader than a door nail. Perhaps the Minister of Labour (Mr. Munro (Hamilton East)) wants to tell railway workers that it is not dead. I challenge him to tell the railway workers how this program will work.

When I was in New Brunswick I met with union representatives, and met a chap by the name of James K. Irving, the owner of the paper company. I never thought I would

see the day when I would stand up for the Irvings or the Taylors in this House. I had a chance to talk to that gentleman and get some facts. He told me that the paper companies had formed an association, that the association had asked him to join the club which would control workers' wages and keep them within the guidelines. He said he refused because he felt he could always paddle his own canoe and settle with his workers as he had in the past. He said he felt he could afford to pay 23.8 per cent. Actually he said it was 21 per cent but the Anti-Inflation Board took into account contributions to pension plan and overtime, and said it was 23.8 per cent. At any rate Mr. Irving said he felt he could afford that settlement.

I also discovered on my fact finding trip that the paper companies colluded one with another. As evidence, we have secured a document with the signatures of four paper companies attached to it. Let me read one paragraph of that document:

> The undersigned undertake in such circumstances to:
>
> (a) secure the competitiveness of the industry by satisfying to the best of their production capacity the fine paper product requirements for the customers of that or those manufacturer(s) which has (have) ceased operations as a result of a strike; and
>
> (b) offset the latter's cost of negotiations through financial support.

That agreement was entered into in 1973. The establishment of the Anti-Inflation Board, and the guidelines, exactly suited the paper companies. They were prepared with machinery with which to control wages. Obviously, the association was a cartel. That is the power against which the workers were aligned.

The workers are poor people who could ill afford to strike; but they did strike. There comes a time when one must stand for principle. I know the Liberals know little about principle. I also know that there comes a time when a man must stand for principle. Often we have seen wives of workers recognize that principle and show solidarity with their menfolk on strike by supporting the strike. I have met trade unionists involved with the movement at the federal level and always thought they were mild, reasonable men. They are too logical, and not at all left wing maoists, Marxists, or whatever one calls them. I always hoped they would show more spunk and more backbone in dealing with the country's corporations. I am glad to see the Minister of Labour return to the House. As I said, I challenge him to tell railway workers how the government's program will work.

To revert to what I was saying, those leaders of the trade union movement in this country have been forced, by the government's action, to withdraw their participation in the very system by which they can correct labour legislation passed in this country. Things must be pretty serious if they are pushed to such extremes. As I said, I was always impressed by their quiet approach, by the mild attitude which has characterized their relationships with the government. I always hoped they would be more aggressive. Now we find that they have taken this hard position.

What has been the cause, Mr. Speaker? The immediate cause is the government's enactment of that infamous Bill C-73, by which the government intervened in the free collective bargaining process. In the present instance the administrator of the anti-inflation program, Mr. Tansley, has fined the Irving paper company $125,000.

[Mr. Rodriguez.]

What was the company's crime? Mr. Irving was paying his workers what he had agreed. I have often said, "Fine companies which do not do the right thing by their workers." Now we find that the government fines companies which have done the right thing by their workers. I really do not understand Liberal thinking.

Mr. Benjamin: Nobody does.

Mr. Rodriguez: It is a sort of "Alice in Wonderland", thinking. But then the government is consistently anti-labour. Mr. Tansley made his decision and brought down his judgment. And whom does he name in the judgment? He names the Irving paper company. Do the workers have the right to appeal Mr. Tansley's decision? That is the question.

I distinctly recall the Prime Minister saying this afternoon that he was dealing with the root causes of inflation and it seemed only proper to him, in law, that action should be taken against the person who is directly causing inflation. I distinctly remember the Prime Minister saying this afternoon, in answer to my leader's question, that if the employer is paying wages higher than those permitted by the guidelines, it seemed only proper to issue an order against the employer, not the employee.

I also recall the Prime Minister saying that the employer should have the right to appeal if he does not agree with the Order. According to the Prime Minister, the person paying salaries higher than those permitted by the guidelines is the real cause of inflation. Well, that is a new one. I never heard that before, never heard of an employer who agrees to pay his workers a fair wage as being the cause of inflation. And there is no appeal from that.

The Minister of the Environment (Mr. Marchand (Langelier)), who has held pretty well every portfolio in the cabinet, suggested that there is not even an historical relationship. He ruled it out completely.

I can well understand the confusion of the country's trade union movement. First the Anti-Inflation Board says that it is all right for teachers to get 30 per cent in a one year contract, Falconbridge workers to get 18 per cent in a two year contract, and CUPW workers 30 per cent in a two year contract. Then they turn around and say that 23 per cent is too much for paperworkers. Where is the pattern, consistency, and logic to that? What it boils down to is that in every case the worker is being blamed for inflation. He is made the scapegoat when in effect it is the government's inability to deal with the economy so that the resources of the country can be used effectively.

● (2240)

It reminds me of how we think of the rape victim. We always blame the victim for causing the problem. It is the same situation here. We do not blame the corporations for pushing up prices as a result of which the workers are forced to bargain for higher wages in order to keep abreast of the rising cost of living. When you have the same corporate group financing the Liberal party and you have a lobby in the Senate, what can you expect? Can you expect legislation that is just for workers? Not on your life!

I found out something that is very interesting with regard to the Paperworkers Union when I was in New

Brunswick. We might think we are dealing with very poor companies. However, they are not poor. They are very rich multi-national corporations. Somehow or other they get some pretty good deals in New Brunswick. For example, there is no stumpage fee for five years. This is to be reviewed at the end of five years. There is no stumpage fee at all. In terms of tax the people of New Brunswick do not get any benefit from that resource. I found out something else that appalled me—

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member, but his time has expired. He may continue only with unanimous consent. Does the hon. member have unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, unlike the pride of the New Democratic Party, I am going to speak to the resolution or the particular reason why we are here tonight.

An hon. Member: You will be the first on your side.

Mr. Mackasey: I can talk about the New Democratic Party. It is not hard. If labour has many more friends like the NDP, it certainly will not need many more enemies.

Some hon. Members: Hear, hear!

Mr. Mackasey: We have not heard any outbursts by the NDP about the responsible attitude of Premier Schreyer in Manitoba. Let them give their views on that. They do not like to hear the truth. I did not start out in this vein and I would prefer not to, but I can carry it on.

An hon. Member: Patriotism.

Mr. Mackasey: Patriotism is something the hon. member should appreciate. When he says that unions in this country are not radical, he is correct. They are very moderate. It is only the self appointed spokesmen for the labour movement such as the hon. member for Nickel Belt (Mr. Rodriguez) who create the mistaken impression across this country that labour is as radical as he is. In this country, however, they do not happen to be.

I wish to take advantage of this occasion to say something about the hon. Leader of the Opposition (Mr. Stanfield), in fact the only effective opposition in the House.

Some hon. Members: Hear, hear!

Mr. Mackasey: By coincidence I was in the House when the hon. gentleman made his first speech in his new role. It was difficult, even for one of his experience. As I recall history, I think one of my interjections upset him. But as often happens when relationships begin on the wrong foot, we became very, very close friends. Frankly, I think he is probably one of the most under-rated, under-estimated people who has ever sat in the House of Commons.

Some hon. Members: Hear, hear!

Mr. Mackasey: People in the gallery, and there were many tonight from labour and other segments of society, had a wonderful opportunity of comparing the style of the Leader of the Opposition with the diatribe we have been listening to from those poor people in the corner for the last hour or two. When we read *Hansard* tomorrow we will see that the hon. gentleman's contribution to the debate was not only much more eloquent, but much more persuasive to the ministers on this side who will now want to look at this legislation extremely carefully in the event that unintentionally there was some denial of the rights of individuals or trade unions.

I noticed something significant when I dug out *Votes and Proceedings* tonight. With regard to the passage of Bill C-73 there was not one single amendment put forward by the New Democratic Party to strengthen the appeal procedure or, if labour had been unintentionally overlooked, to rectify that at that time when the bill was being examined, debated at second reading, in committee, and on third reading. There was not a word from the NDP about the terrible loss of liberty to the labour movement. It is obvious that they were either asleep in committee or did not attend.

Now they have suddenly awakened in their opportunistic manner when something seems to be bothering the labour union to reinforce once again the adversary concept, making Canadian society so structured that you have the haves and have-nots, which everybody deplores but which that party seems to think is the key to political success. They never seem to learn, because there are no more of them in the House now than there were 20 years ago.

Why are we here tonight on an evening that is so important to members opposite? They have to sit here when, on this Wednesday night, they want to be looking to their own personal affairs. If it was to improve the bill I could understand it. If there were a national emergency I could understand it. That is what Standing Order 26 is all about.

● (2250)

In determining whether or not we would spend a Wednesday night in the House—and remember it is really inconvenient to the staff and everyone else associated with us; never mind the members, we abide by the Speaker's decision—why did the Speaker suggest that an emergency debate was justified under Standing Order 26, a fairly rare procedure as you know? It was not because, in the opinion of the Speaker, there was a flaw in the bill; it was not because the Speaker felt that the bill was unfair or that there was a national emergency. It was because the New Democratic Party unintentionally—I use the word "unintentionally"—misled everybody.

An hon. Member: Oh, come on!

Mr. Mackasey: Members over in that corner say "come on". We are supposed to sit here and enjoy their diatribes, but when something is said that they don't like they yell, "Oh, come on, don't be too hard on us". I am going to put of the words of their leader on record—as follows:

> Mr. Speaker, I ask leave to move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes), the adjournment of the House, under the provisions of Standing Order 26, for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the revelation today of the announced intention by the executive of the Canadian Labour Congress representing almost two million Canadian workers to withdraw from all areas of co-operation with the federal government

in every province, this decision arising from the now clearly demonstrated and acknowledged absence of the right of appeal under due process of law for all those affected by decisions of the Anti-inflation Board and/or the administrator, and leading inevitably to further breakdown of civil order in Canada.

Note that phrase "breakdown in civil order". As if the Canadian Labour Congress would suggest violence, or taking to the streets after the fashion of unruly demonstrations in some other countries!

There is no evidence that any member of that party can produce to indicate that the Canadian Labour Congress today has decided to withdraw from all areas of co-operation with the federal government in every province. To suggest such a thing is entirely wrong. And we are here because those words in the motion were taken at face value. In actual fact the CLC said it would consider such a move when the executive got around to doing so. "Considering it" is a long way from making a firm decision.

I know the Canadian Labour Congress as well as the New Democratic Party does, and I know how difficult it is for the president. I do not think the President, Mr. Morris, gets a fair shake in the press. He has a difficult job, as politicians should understand. In many ways he is a politician.

Mr. Nystrom: The friend of labour!

Mr. Mackasey: You are no friends of labour with your radical views. It is your type of view that gives labour a bad name in this country, one it does not deserve.

Some hon. Members: Hear, hear!

Mr. Mackasey: That is the tragedy of your type of intervention in the House of Commons.

Mr. Nystrom: Address the Chair.

Mr. Mackasey: *Hansard,* of course, can't capture the wistfulness of that party hoping—

An hon. Member: Tell us about the appeal procedure.

The Acting Speaker (Mr. Turner): Order, please. The Postmaster General (Mr. Mackasey) has the floor. Give him his chance to express his opinions.

Some hon. Members: Hear, hear!

Mr. Mackasey: —hoping that labour will be as irresponsible as they have been tonight. They say, "We hope it doesn't happen; we are not suggesting that labour withdraw from all the different bodies, the Economic Council and all the other boards to which they make such a valuable contribution." But I am saying that their intervention was an invitation to the labour movement to do precisely that, and that is not in the best interests of the labour movement. The best interest of the labour movement in this country, and of the people in this country, is for the labour movement to participate in the decision-making process whenever it has an opportunity.

An hon. Member: When?

Mr. Mackasey: They had an opportunity to participate in this fight against inflation from the very beginning and they chose, as is their democratic right, to ignore the existence of the board and not to bring forward the name of a person suitable to the Congress to sit on that board. It was their own decision.

I can understand the problem of the Canadian Labour Congress and I can see the progress that is being made. I can understand their fear, and it is a legitimate one, that somehow this system might be applied unjustly to labour because it is easier to control wages than it is to control prices. I can understand their concern.

But remember, Mr. Speaker, inflation hits the poor, the hungry, the senior citizens, the people who live on fixed incomes. And these traditionally have been areas with which labour is concerned. If we have old age pensions in this country, if we have minimum wages to help the poor, if we have any kind of medicare program, we have to thank the labour movement for it. As Hubert Humphrey said the other day, there are no votes in being a spokesman for the poor any more, or for the underprivileged or for the sick or for the senior citizen. That is a liability in a country which is tending to be very reactionary and losing track of the fact that we have to help each other in society.

Labour, too, is not without sin, and there are times when the labour movement can be wrong. That is something the hon. member for Nickel Belt cannot seem to understand. I do not happen to believe you can eliminate the adversary concept entirely. Collective bargaining is nothing more than a reflection of individual rights. When you talk about industrial relations you are really talking about human relations, and we all have the adversary system built into us as part of our culture.

We shall never solve all the problems which arise between labour and management by everyone becoming idealistic about an objective. That is why we have government. Sometimes it has to do things it would not wish to do under normal circumstances. But take the large labour unions. Last year their wage settlements happened to be higher than inflation. They did not suffer. The people who suffer are the unorganized, those who have to live on fixed incomes, the people on minimum wages. If you want government and members of parliament and the business community to stop taking more out of the system than we can afford, in order to help those very people, is it so wrong or anti-labour to say to organized labour; "You, too, have a responsibility to co-operate, if only for 18 months or two years, in order to help break the spiral"?

I think that in 1976 it is a little much to be talking about "they" and "we", or about the employer as the enemy, or about labour as the enemy. I am glad my colleague mentioned that there are people making $20,000 or $22,000 in the paper industry. More power to them! Let's face it, though, they are middle income or upper middle income people; they are people who have something left over and they want to invest; they want to invest in a country that is prosperous, a country that is going somewhere. They do not want to see their savings eaten up by inflation. They are as concerned about the profit motive as myself, or any member of the House of Commons.

It is ridiculous to think that a family today cannot earn sufficient—those who are working—to have something left over for investment. The working class wear two hats in effect. Are we here talking about the anti-inflation pro-

gram? Are we talking about labour's role in it? If we are, we shouldn't be here tonight; we should be taking an opposition day from the New Democratic Party to do some soul searching to find out whether the Anti-inflation Board is functioning properly, whether the program is being applied justly, whether we need to make modifications, because for once in our life we have a common objective which is fighting inflation. If we are not fighting it right, let's hear about it.

But that is not why we are here tonight. We are here because in the opinion of the Speaker there is an emergency, and that emergency arises, it is said, because the CLC made a decision to withdraw from all the government boards. I am saying that this is inaccurate. One thing that the mover and the seconder of this motion should have done at the beginning of this debate was to apologize for having unintentionally mislead the House.

An hon. Member: Intentionally.

Mr. Mackasey: If it were not for the passage to which I have referred, the Speaker would never have permitted this debate under Standing Order 26. He might have said the subject could be discussed on the next opposition day, or on estimates, or during the question period. But he would never have allowed this method of allowing a discussion of something which has not happened and is not necessarily about to happen.

I do not want to misrepresent the CLC. I want to be their friend. Compared with the NDP, the Canadian Labour congress is one of the most responsible organizations of the country. They did not say they were walking out of all government organizations, thus negating their influence on behalf of their members. They have an obligation to be on these boards. They exist to look after the workers of this country, and the workers are entitled to be represented on key boards, the Economic Council and others. That is so under the statute. The union has an obligation—not a privilege but an obligation—to make the views of its members known. To the best of my knowledge their contribution has always been equal to, and on most occasions better than that of management or the academic world or any other group.

● (2300)

Now to turn round and have parliament, the press, spectators, opposition members, and the staff here on the spurious—

Mr. Benjamin: Quit crying about it.

Mr. Mackasey: I know the hon. member would sit here seven days a week, 24 hours a day, isolated from reality. The reality is, as the hon. member should know, that we are here under false pretences. We are not here to discuss the Anti-Inflation Board. We are not even here to discuss any alleged weaknesses in the act or the appeal section. We are here because we have been informed that the Canadian Labour Congress has made a decision based on their concern—

Mr. Symes: Read the whole motion.

Mr. Mackasey: If the motion had been worded to the effect that the Canadian Labour Congress was considering the possibility of withdrawing from these various boards in light of their disaffection with the section of the act that may or may not deny them an appeal, then on the strength of that I do not think the Speaker would have called for this debate tonight. But I can understand the Speaker calling for the debate when he is told that the Canadian Labour Congress, representing two million Canadian workers, is about to "withdraw from all areas of co-operation with the federal government in every province", "leading inevitably to further breakdown in civil order in Canada". That is a pretty serious statement.

Is it not an awful condemnation of the labour movement to presume that they would be so irresponsible as to bring about a break down in civil order in this country? Who is causing labour to be labelled irresponsible if it is not the New Democratic Party? I would imagine that the Canadian Labour Congress are about to disassociate themselves from this very radical and rash statement.

Mr. Benjamin: Phone and ask them.

Mr. Mackasey: The hon. member says phone and ask them. Isn't that a great contribution! He does not go to the bathroom without phoning somebody and asking them if he can go. Without consulting the CLC he would not be able to find his way to the washroom. What a great contribution he makes. I hope he sends it to all of his constituents. He can tell them "I told the government to phone the CLC and ask them". Ask them what? Ask them if they are going to recommend a breakdown of civil order in Canada? The labour movement in this country has never been irresponsible. It has never been radical to that point. I am surprised that his so-called friends of the labour movement are suggesting that the Canadian Labour Congress would be so irresponsible as to start some movement that would lead inevitably "to further breakdown of civil order in Canada." That is a pretty serious charge.

I will not deal further with the New Democratic Party. They stand condemned on the sheer logic of the matter, if I may sum it up in that way. However, I should like to refer to something that must please the members from the Atlantic provinces, and that is that the Irving company is becoming so pro-labour after all these years. That is a wonderful thing! I do remember some of my history, though I say with respect not nearly as much as some other ministers, and if the Irving company really felt so strongly for its workers, it could put some of the money from the increase arrived at through collective bargaining into a trust on behalf of the workers until the administrator came along, not simply to keep their operation going but for the good of the workers. That would be consistent, and until the act were revised, repealed, or amended they could institute an appeal on behalf of their workers.

Some hon. Members: Hear, hear!

The Acting Speaker (Mrs. Morin): Order, please.

Mr. Mackasey: Why don't they do that? That would get around—

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the minister but the time allotted to him has expired.

Mr. Mackasey: The very fact that—

Some hon. Members: No.

The Acting Speaker (Mrs. Morin): Order, please. There is no unanimous consent.

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, it is indeed a peculiar position in which the House finds itself tonight. We are debating a situation that was predictable from the time the legislation was presented to the House, and which is still predictable. There will be difficulty with it. Sometimes I wonder whether it was intended to work. Sometimes I doubt the credibility of the government that introduced it. I doubt it because it came in with three factors that basically relegated it to a position in which it could not succeed.

First, there were exceptions made by government ruling before the legislation was introduced. Secondly, it was put in a position where price control was second hand and labour control was first. That was bound to make it contentious. Thirdly, it endeavoured, and quite successfully so, to transfer a very major part of the responsibility for control to the provinces.

Since that time the government has proceeded to embarrass everybody it possibly could embarrass. The pattern has been consistent. The minister of health wants to cut his grants from the Government of Canada, and therefore the government is forcing the provinces into the position where they are withdrawing certain services in the health field. We read of provincial governments finding themselves in the position where they must close hospitals, in whole or in part. So it has been a very successful political ploy to transfer responsibility to others, and I submit it is questionable whether the government itself even thought the legislation could work without transferring responsibility for part of it to junior government at the provincial level. It is passing on responsibilities even at the municipal level so as to cut the cake as the government wants it cut. Certainly the legislation was designed to create dissension, and that dissension is apparent.

I was very interested in the remarks of the Postmaster General (Mr. Mackasey) as he was sort of pleading with this House and with Canada, and properly so, on behalf of the economic structure in which we find ourselves. We are in a position where inflation is eroding our stability. It is eating away at the very future of our country. So he had a right to plead on behalf of Canada. But I hope he was just as interested and sincere when he stated that, as a result of the remarks of the Leader of the Official Opposition (Mr. Stanfield), there might be some reconsideration of the legislation, and an amendment introduced.

I think Canada will now expect from the Postmaster General, as a member of cabinet, a body of people that must be unanimous in its conclusions, some action to restore equity to the situation. Let us remember that these exceptions were made in order to bail out the Postmaster General from certain problems he inherited and with which he found himself forced to deal. Let us hope that part of his speech was as sincere as his pleading with all Canadians.

● (2310)

The hon. member for Nickel Belt (Mr. Rodriguez) spoke in a fashion which indicated that we cannot understand in this House why he chose Canada as his eventual place of residence. It would make one wonder, if that place from whence he came was not satisfactory to him, why he thought he has been so endowed with wisdom he should now run this country. He fled from one, and is it his intention now to try to reduce this country to the level of that from which he fled?

Some hon. Members: Shame!

Mr. McCain: I did not make one interjection while the hon. member for Nickel Belt spoke—not one and he was a disgrace to the country of his adoption his host country.

Some hon. Members: Hear, hear!

Mr. McCain: If I and other members of this House can sit and listen to the things which would destroy us, then let that hon. member sit and listen while we review the statements he has made. Let us go to that great—

Mr. Gilbert: Attack the argument, not the personality. Deal with the argument.

An hon. Member: How about letting him speak?

Mr. McCain: Are you fellows done over there? Do you mind if somebody else has something to say, in peace and quiet, as did the hon. member for Nickel Belt as far as I am concerned, or are you running off at the mouth to the extent you can't control it?

Some hon. Members: Hear, hear!

Mr. McCain: The people of New Brunswick in the labour movement have exercised great responsibility for a great many years. I submit to you that they have shown they understand the economic problems of New Brunswick and the economic climate in which they work. They chose to work in New Brunswick as members of these unions. I want to thank the hon. member for Nickel Belt for the remarks he made in their support. They are well deserved, and he explained them well. I very much resent the fact that a union in New Brunswick or a New Brunswick corporation should become the victim of a rule when the government itself has already made exceptions for its own employees to solve its own problems. I do not think that is fair to the employer or the employee, and as a result of the exceptions that were made by the government we are now debating this subject tonight as a result of that, and nothing else. This was the exception of an old agreement and the exception of those agreements made before January 1, 1974. This has made a bone of contention throughout the entire structure.

For those great socialists on our left I want to cite the example of a meeting which was held not long ago which involved Canadian elected people as well as Swedish elected people. Among other things that were said, one of the Swedish representatives said if they did not have in

Sweden the multinational corporations bringing profits home to his country, they could not support the social system which they have. We, on one hand, are being asked by the socialists on our left for all the benefits which we could possibly hope to extent to mankind, while on the other hand they are denying Canadians, by their propaganda, the right to reap some of the benefits of those companies which do business abroad from this country and who contribute in a major way to our society. They cannot have it coming and going; they cannot have their cake and eat it too.

Let us make up our minds whether we want to live within the abilility of Canada to sustain us, or whether we want to ignore—as the hon. member for Nickel Belt suggested today—the political and economic realities of Canada, cutting the suit to fit his cloth, which I submit would be a very difficult thing to do.

Some hon. Members: Hear, hear!

An hon. Member: It is a lot better than your cloth.

Mr. McCain: I should like to add that governments of New Brunswick have had the right to estimate the charges which can be taken from the various resource industries in that area. I submit that the financial records of the pulp and paper industry in that area were taken into consideration as the governments of New Brunswick formulated their policies—whether Liberal or Conservative governments. I submit it ill behooves those who are ignorant of the facts of New Brunswick economics to make statements as irresponsible as those made by the hon. member for Nickel Belt in respect of whether New Brunswick benefits from its natural resources. It benefits because it creates employment and because it encourages development, and if the hon. member for Nickel Belt had not chosen that area as his place of residence, he might better understand some other areas of Canada. I suggest it would behoove him to stick to those things which he knows, rather than to try to speak on a number of Canadian subjects of which he is almost totally ignorant.

I want to compliment not only New Brunswick labour but all facets which make up Canadian society; that is, labour, business and government as represented in this House. Regardless of the workability of the legislation that has been introduced, with all its iniquitous structure we, as Canadians, whether we are in the House of Commons, in the offices of business or members of a union, must take a responsible position toward the long-range business interests of our economy. I plead with those on our left to recognize that there is a point in time beyond which you can go no further. That point has been recognized by the official opposition in its platform and it has been half-recognized by half-hearted legislation on the part of the government. I think this represents the bulk of Canadians, and it is pretty near time for the NDP to take a responsible position. We do not need inciters in Canada today: we need level-headed, clear-thinking realists.

An hon. Member: Like the NDP.

Mr. McCain: We do not need that anaesthetizing which has apparently taken place among certain people who seem to belong to a particular party in this country which is ignorant of the facts of life. They think there is nothing but pie in the sky and all you have to do is reach up, cut it and eat it. It is just not that way, it never has been, and we just cannot make it that way. Let us start exercising responsibility and stop inciting the people of Canada.

Some hon. Members: Hear, hear!

Mr. Arnold Peters (Timiskaming): Madam Speaker, I have enjoyed listening to some of the speeches tonight, particularly the speech of the Minister of the Environment (Mr. Marchand). His words took me back many years to the days when he was involved with the Catholic Syndicates in Asbestos, and Thetford Mines. I can remember those days when we helped raise money for an industrial union being formed by his colleagues in the Catholic Syndicates. That was a very weak organization at the time, but it had the high principle of establishing a trade union in the area where trade unionism was not developed. We helped them by supplying money in order that they might put up the kind of fight they did over many months. They were eventually able, following the Asbestos and Singer strikes, to establish a union solidarity which enabled them to force the companies into negotiation. This was something that at no time anyone considered possible.

● (2320)

It was interesting tonight to hear the minister, the same man who has been in the trade union movement since that period of time and who was willing to participate in this debate. He made a very good union-hall speech and I enjoyed listening to him make the same type of speech he made many times before.

An hon. Member: The same speech every time.

Mr. Peters: Not necessarily quite the same speech. But I would have appreciated it if he had been able to stand in the House and say he was willing to help as a cabinet minister and ensure that the same kind of justice could flow to people such as workers in the pulp and paper industry whose situation is very different to that which existed some years ago. When he belonged to the Syndicate, they went on the other organizations which they established and eventually arrived at the CNTU. The pulp and paper workers of this country decided not too long ago to establish a Canadian union. They had no money but they were well aware of the fact that the companies were making immense profits. In 1972-73 the profits of that industry quadrupled: the profits of the pulp and paper industry went up from $79 million, after taxes, in 1972 to $320 million in 1973, and they doubled in 1974 to $685 million in net profits, after taxes.

What should the Minister of the Environment have been saying to us, as a trade unionist? I will not speak about the Postmaster General (Mr. Mackasey) because he became obsessed—and I feel sorry for him—with being the member of the cabinet to take on the NDP all the time. He used to have more to say that was constructive, and I think that in the terms of trade unionists he would have been expected to speak for the workers in this country. But what did the Minister of the Environment say, remembering that a company that makes a considerable amount of money under the free enterprise system is a company with

a union which will expect to get its share of the profits? There were unprecedented profits, disastrous profits. In one year they paid back 20 per cent in dividends on the equity of the shareholders. That isn't bad. If you can get back 20 cents in the dollar in one year, you can't beat that even if you are in the shyster business and you are taking an unreasonable profit in usury.

I would have expected the Minister of the Environment to say that these workers have the right to get their share from the company. What we are suggesting is that even with the anti-inflation legislation, legislation which has been a total disaster and which has not brought about one favourable decision in terms of cutting prices, in the case of the worker who feels he has been aggrieved, or the employer who feels he has been aggrieved, we will not agree to fight for his right to appeal against a decision which he considers to be unjust.

It seems to me that the least the Minister of the Environment could do is to provide for the workers in the pulp and paper industry and the other workers who are affected by the anti-inflation legislation, leaving aside the judgment of whether it is good or bad, the same kind of opportunity that I and thousands of others had who were in the industrial trade unions in the 1940s. Some of that money came out of our own pockets. I am not asking the minister to do that; I am only asking him to remember the days when he was in the trade union movement and was fighting against insurmountable odds, and the companies in most cases have been facing insurmountable odds. In this case the odds are not only management; they are also government and the full power of the law.

I have spent some time on the picket lines. I can remember spending 8½ months on the picket line in Timmins years ago. The hon. member for Timmins (Mr. Roy) asks why we do not run in the riding. I ran in that riding at one time, long before he was on the political scene, and lost by only 500 votes. It is not unreasonable to think it would be possible to go back there, because already I represent part of the city of Timmins. I had the opportunity, together with my colleague, the hon. member for Sault Ste. Marie (Mr. Symes) to go into Smooth Rock Falls and Kapuskasing. We talked to the workers and their wives. What they said to us was what I knew to be true after months and months of having to go through exactly the same situation. However, their situation is much tougher. It is tougher because the workers in that industry decided to get out of the international organizations and to build for themselves a Canadian union. They have no strike fund and no moneys put away, yet they have the same vitality, and the same willingness is found among the women to back their husbands in the strike.

There is great enthusiasm among civic officials in these areas to see that the workers get a fair shake. When they organize under provincial legislation they are faced with a cartel by the companies and by the government which passes legislation affecting them, taking away their rights. It is interesting that they were offered in one or two of these cases, particularly in Abitibi, 25 per cent before they went on strike, but they did not think that was reasonable in light of the profits that the company was reaping. Every one of the hypocrites who spoke in the House about free entrerprise would have to agree that if you believe in the free enterprise system, you must agree that the labour movement is also entitled to its share of the free enterprise system.

These people on strike in the pulp and paper industry were faced with, not 25 per cent which they were voluntarily offered by the company, but with 10 per cent because the company said they should be more patriotic than the government itself, and instead of offering the maximum 14 per cent which was referred to in the Irving case they kept it down to 10 per cent. I understand they are voting today and maybe the decision has already been reached on a 14 per cent settlement. That is the increase with which they will go back to work.

How would you like, Madam Speaker, to be one of the strikers who goes back to work, after six months on the picket line, with 14 per cent? You would be doing that, not because the company made you do it but because the government made you do it. All the housewives in the area told us about the increase in the cost of living, and municipal officials told us about the increase in the cost of living and that no taxes were coming in because no one was working in the area—but the costs were going up just the same. What is the answer? I have heard some of the Liberals say that two years from now they can vote if they want. That is little comfort to those who will have to go back to work now. The country will pay dearly for it because there will be no surpluses in the pulp and paper industry. They are not stupid; they will not work seven days a week, or overtime any more and there will not be any inventory.

● (2330)

We are not going to have any exports like we have had in the last few years. The Canadian public will pay dearly for this because the workers are not getting justice. They waited for a decision on the Irving matter. There was no administrator. They had to wait for an administrator. As yet there is no appeal board. We appointed a bunch of temporary people from the civil service. Perhaps there is nothing wrong with them, but the legislation has been drafted. They already received a big increase.

The board members are not really going to be very sympathetic. They will not recognize that workers in the mills will want to be paid a similar amount, in a historical sense, as bush workers in the area. The bush workers are making $1.50 more than the mill workers. For years and years the mill workers were the highest paid people in that area—certainly the bush workers were not—so I think there is an historical obligation for the mill workers to maintain parity with the bush workers.

The Americans have increased the price of paper another $25, and that does not seem like very much. It may be that Canadian companies will not ask to increase the price of paper, but it is interesting to note that in the two years between 1973 and 1975 they have been allowed an increase in the price per ton of newsprint of 52 per cent and an increase in bleach craft pulp of 118 per cent. They may not ask for the $25 right away. They really will not need it, but I suggest they would be awfully stupid to deal on the American market, where most of our surplus goes, if they do not get at least the same price that American companies have to pay for American newsprint. So they are going to

get another $25 increase, and the Anti-Inflation Board will not look at that at all.

Where are all the Abitibi plants in my area? I come from northern Ontario, and I speak for northern Ontario. There is a plant at Sturgeon Falls. The hon. member for Nipissing (Mr. Blais) represents that area. The Iroquois Falls plant is in the federal riding of Timmins. The Smooth Rock Falls plant and the Spruce Falls plant are in the Cochrane riding.

I am not too familiar with northwestern Ontario, but I am sure the hon. member for Fort William (Mr. McRae) will be able to tell us about those areas. However, it seems to me that those plants will receive an increase in their revenue on top of unjustifiable revenues which they have been making for the last two or three years. They will receive an increase because of the international price, and I suggest there is nothing this House can do to stop that.

All these plants I am talking about in Ontario come under Ontario labour legislation. When I asked the Minister of Labour (Mr. Munro) to use his offices and intervene, I was aware that this came under provincial jurisdiction, and he hastened to point out that he had no responsibility. Mr. Pepin is the labour boss in this country. He will make the decision for every agreement made in this country, and he will set prices. He is now the czar of labour in Canada. The federal Minister of Labour does not matter. He can talk about the little game he has been playing for two years of trying to get management and labour to go along and help him run his business if he wants.

The hon. member from New Brunswick said that other people should not get involved in New Brunswick politics, but the negotiation which took place between Irving and its employees was under the labour legislation of the province of New Brunswick, not federal legislation and not under the Anti-Inflation Act. That settlement was negotiated under the jurisdiction of the New Brunswick labour board, and I think the workers there have the right to take Irving to court to make sure he lives up to the contract which was signed because that was a provincial contract.

We have forgotten that we allowed the total elimination of all jurisdictions in the field of labour by this legislation.

I will close by saying that I sympathize with workers in the pulp and paper industry and those in particular who have been made the bellwether of the anti-labour legislation of the Liberal government. They have led the fight and they are stymied. What can they do? They cannot appeal. There is talk of a one day strike and of withdrawing services. If we lived in a warmer climate I am sure that rebellion would have been talked of, but it is cold here, so the labour movement may walk around 1,000 strong and protest on Parliament Hill. They may do this at provincial legislatures as well, but there is a terrific amount of resentment on the part of every worker in this country who is facing collective bargaining under provincial legislation because workers know that no matter what agreement is signed, and no matter what employers are willing to agree to, an agreement is subject to federal legislation which overrides, eliminates, and negates any benefit which might be had through common, ordinary collective bargaining.

I have known both cabinet ministers who spoke tonight a long time. Both came from honourable backgrounds in the labour movement, and both of them have made contributions to that movement. Never has there been a time when their voices should be raised publicly and in cabinet with greater strength than today, because they have a role to play in telling their colleagues that the whole process of collective bargaining is being destroyed by this legislation without workers in any way seeing any benefit by way of reduction in the cost of natural gas, gasoline, fuel, hydro, or any of the other commodities which make up their cost of living.

Members of trade unions have always been fair and reasonable. I sincerely hope that my two colleagues from better days will make their voices heard on the side of the workers whom they supported, and who supported them for so many years.

Mr. A. C. Abbott (Mississauga): Madam Speaker—

Mr. Broadbent: Paperworkers of Toronto, here we go.

Mr. Abbott: I am glad I have 20 minutes because I may have to endure the catcalls of my hon. friends opposite.

At the risk of offending the sensibilities of my hon. friends opposite I should like to confine my comments to the motion which is before us tonight.

Mr. Broadbent: You would be the first Liberal who has tonight.

Mr. Abbott: I may be the first Liberal who has, but certainly from the last few speakers I have heard on the NDP benches there have not been any appropriate comments in connection with the Irving decision which gave rise to this problem.

Perhaps I could say at the outset that I have considerable sympathy for the indignation expressed by the labour movement in connection with this decision because I think that, upon analysis, it has tended to distort the viewpoint that we might have of the anti-inflation program and the possibilities of appeal.

● (2340)

I should like to start by quoting part of the question asked by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

—which would give trade unions the same right of appeal as that enjoyed by the corporations and to remove the necessity of breaking the law in order to get a case before the administrator. I would therefore ask the minister if the government is prepared to introduce two amendments. First, an amendment to provide for the appeal by any party affected by a decision of the Anti-Inflation Board to the administrator and second, an amendment which would allow any person affected by the decision of the administrator to appeal directly to the appeal tribunal?

The minister stated that he was going to give consideration to this suggestion. I should like to deal with the first point, which is the appeal from the order of the Anti-Inflation Board which I think is actually a misconstruction of the whole matter. The Anti-Inflation Board was not given the power to issue an order; it was given the power to state that if in its judgment the guidelines had been exceeded by the parties to which it was addressing itself and it then

was entitled by the law to make reference to the administrator. Clearly, unless a party states they are not going to abide by the moral suasion exercised by the AIB, it is not a matter of appealing because there is no onus upon them to obey anything said by the AIB until they make their reference to the administrator.

An hon. Member: They get fined if they do not appeal the order?

Mr. Abbott: For the benefit of my friends in the smoking area, the order is applied only by the administrator, not by the Anti-Inflation Board. I should like to trace the procedures which took place in the Irving case. First, an agreement was reached between the parties, as every hon. member is aware. The Anti-Inflation Board studied the settlement and then rejected the contract and set up a revised level of compensation which it stated should be more within the guidelines and should be accepted by the parties.

The Anti-Inflation Board then asked the parties whether they intended to conform with the board's decision. They also advised the parties that if they did not, the board was going to make reference, as it was entitled to by law, to the administrator. On January 23, the two parties informed the Anti-Inflation Board that they, together, were not prepared to modify their agreement. Therefore, the Anti-Inflation Board, following correct procedure, referred it to the administrator. At that point there was no question of appeal. Appeal from what? They were simply asking, "Do you accept, or reject, our suggestion?" The reply was, "No, we don't". Then the board said, in so many words, that the only alternative was to send it to the administrator.

The first part of the question put by the hon. member for Nanaimo-Cowichan-The Islands is inappropriate, I believe, because there is never a possibility for an appeal of a morally suasive decision by the Anti-Inflation Board. It is then referred to the administrator. As was indicated in the early stages of debating the Anti-Inflation bill, the administrator is, in a sense, the bulldog with the teeth who simply takes the Anti-Inflation Board's determination. Then in accordance with the act it has the right to bring in other facts, but essentially the task of the administrator is to issue the order.

Section 30(1) says that any person against whom an order has been made by the administrator may appeal, and so on. So the curious feature of the Irving case is that while both parties went through the Anti-Inflation Board, both parties went to the administrator—and both parties and in the administrator's "whereas" clauses—only one party was the subject of his order, Therefore, in accordance with the law, only one party can appeal.

Mr. Broadbent: We are objecting to the law. That is the point.

Mr. Abbott: My point is simply to say I think it is curious and anomalous that the two parties appear equally guilty of not abiding by the law. The administrator, within his jurisdiction, issued an order fining only the one party, thereby excluding the union from appealing. I share the view that there is a party to the agreement, a party who was equally dissatisfied with the agreement, a party who appeared before the administrator, who was stated to be a party before the administrator, and by some strange logic the administrator applied his order only to the employer.

An hon. Member: You want the workers fined as well; is that it?

Mr. Abbott: No, the workers are being penalized by taking the reduced wage. That is not my point. My point, and I assume the point of the Canadian labour congress, is that they are denied the right of appeal because of this order. The due course of law that would have been theirs had they been joined in the order was denied them. I am simply saying that presumably it would be a welcome amendment to the law to say that any party who is a party to the order has the right of appeal.

Mr. Broadbent: That is what we said.

Mr. Abbott: So we have no argument, beyond that I suggest the point made by the hon. member for Nanaimo-Cowichan-The Islands, or which he implied in his question, is not appropriate in that there can be no appeal from a simple request to the parties to obey the decision of the AIB.

An hon. Member: That was yesterday; that was not the proposal that was made today.

Mr. Abbott: I am not talking about proposals. I am trying to talk about the course that was followed in the Irving case and the law, as I see it, in the statute. I am simply stating that I agree that if the administrator is not going to see fit to join both parties in his order, thereby enabling both parties to appeal, the law should be amended to provide, that both parties to an order should be permitted to appeal.

Mr. Benno Friesen (Surrey-White Rock): Madam Speaker, one cannot but be impressed with the sincerity of the New Democratic Party motion. I notice that as one their own speaker is addressing himself to the resolution, only half of their caucus is present. One cannot but be impressed, either, with the wave of piety in the House when we are discussing the dilemmas and problems facing the poor in our nation. I have noticed that members of the NDP really do hate poverty. We in British Columbia know that better than anyone else. As soon as the NDP was elected there, they doubled their salaries—so we know they hate poverty. We had a human resources minister there who had such compassion for the deprived in society that he wanted to work out their problems, but he needed a very expensive assistant to work with him because he hired an executive assistant at a salary of $35,000 a year.

The Acting Speaker (Mrs. Morin): Order, please. I have been listening to the hon. member with great attention, and I am afraid he is getting a little beyond the motion.

Mr. Friesen: I am coming to that, Madam Speaker. I just want to emphasize that when you hire an executive assistant for $35,000 and then give him a sabbatical, you are not that interested in poverty. I recognize that we are faced with a dilemma in this House. On the one hand we have a government program which is something like the captain of the *Titanic* appointing a committee to see where icebergs come from. On the other hand, the NDP resolution of the

problem is like the crew of the *Titanic* insisting on a 30 per cent wage increase before they drowned in the icy waters.

Mr. Peters: If they had done that they would still be alive.

Mr. Friesen: The point is, both are irrelevant. The object now is to save the ship, and to do that you must anticipate the problems. That is what we tried to do in 1974 in our party. The problem the government faces today is not simply one of the acceptance of the Anti-Inflation Board's program which they have proposed; it is basically a problem of credibility. When it comes down to the nub of the question, nobody believes them any more.

● (2350)

Why does it take so long for the federal government and provincial governments, and the federal government, organized labour and other elements of the economy, to come to agreements? Surely the reason is that various segments of the economy do not know how they stand with the government. The government's credibility is in question.

In 1974 I well remember the Prime Minister saying to this country's workers, "The Conservatives will freeze your wages." Today the workers of Canada remember what the Prime Minister said in the 1974 election campaign and wonder, "Can we believe this guy any longer." At the same time the NDP "conned" the workers into believing they could ask for ever larger pieces of the pie without increasing productivity. The workers kept asking for more; there was always more to be had from where the last increase came.

If one considers the meaning of the term "collective bargaining" at its face value, one must concede that the motion before the House has some validity. When the government establishes what the wage settlement of workers shall be, there can be no bargaining. When it establishes unilaterally the terms of an agreement, there can be no collective solution. The very terms "collective bargaining" and "administrator" in this context are mutually exclusive. Logically, the Minister of Labour is redundant, a vestigial organ of government. Who needs the Minister of Labour when there is no longer effective bargaining?

The government's program lacks credibility. It should be noted that the Prime Minister has never made a speech in this House on the anti-inflation program. He has spoken across the country on this subject, but never once in this House. We wonder is he really serious if he is not willing to face parliament on this most critical part of the government's program.

The second problem is this: the government lacks consistency in its actions. Today the President of the Treasury Board (Mr. Chrétien) announced spending increases of not more than 16 per cent; but worker's wage settlements are supposed to be not more than 10 per cent. Where is the government's consistency in asking the workers to accept not more than 10 per cent when it, itself, will spend an extra 16 per cent?

Let me allude to another area of inconsistency. Not long ago the House passed Bill C-71 to do with the reformation of the Criminal Code. Features in that legislation were long overdue. Now the government proposes to introduce a bill ensuring greater peace and security. If the government is so concerned about the ideal of justice for everyone in the land, why not extend justice to those in labour engaged in collective bargaining? Why not introduce legislation which will guarantee the right of appeal for workers involved in the bargaining process? On the one hand the government says its program is voluntary; on the other, the program itself encourages the opposition of adversaries and class confrontation.

The Postmaster General (Mr. Mackasey) was quite right when he said that collective bargaining ought to involve human relations, ought to involve a process in which men and women of good will sit down at the bargaining table, discuss matters of mutual interest and try to come to a reasonable, sensible, and sensitive resolution of their problems. Really this is a matter involving human relations. But you can only bargain if the men and women involved in the bargaining process consider themselves as equals. If one side is waving a club over the head of the other, it is no longer a matter of human relations. If one side has an advantage over the other, again there will not be that element of human relations. Human relations are not involved when there is but a single dimension, a single party, in the bargaining process. There must be provision for recourse to an impartial judge and jury made up to the peers of the parties, who can adjudicate on the situation.

The NDP motion says nothing for the 80 per cent of our work force which has never enjoyed bargaining rights or never entered into collective agreements. Is not the NDP position specious? Why is the party so worked up about that part of the labour force which has been organized some time and engaged in collective bargaining, and not greatly worked up about the rest of the work force, about those who have never been guaranteed these rights and who, so to speak, have been disenfranchised in the labour force? I am led to believe that the socialists are exercised about the matter because the vested interests of the party coincide with the interests of the group they defend, and there will be implications concerning fund raising when the next election comes around.

I agree that the workers who have been on strike nearly one year face an impossible future and unnecessary hardship. As the Postmaster General said, if the parties to the dispute had sat down together and discussed the matter in a human way, in a way involving human relations, the situation would never have come to this pass. There must be other ways of resolving this problem. There has been greed on one side and stubbornness on the other, and we know the result.

I suggest that our plight is serious and that the motion before the House has merit. One could criticize the government for many of the shortcomings of its program. For that reason I ask government supporters to bring pressure to bear on the cabinet and ask the cabinet to introduce a bill which will ensure that the country's workers will have recourse to justice. It is clear that at present there is no such recourse. I commend this action to hon. members on the government side. Let them take the subject matter of the motion under advisement, and let us see if we cannot introduce some righteousness to the way in which we treat the workers of our country.

Labour Conditions

● (Midnight)

Mr. David Orlikow (Winnipeg North): Madam Speaker, the purpose of this motion was to bring to the attention of the House the fact that the press reports that the Canadian Labour Congress, which represents almost two million workers in Canada, is considering withdrawing its representatives from a number of government-labour-management committees which have been set up over the past 25 years. This is in protest against the fact that in the legislation passed by the government to deal with the inflation problem, there is no method by which workers or their trade unions can appeal against a decision by the Anti-Inflation Board or the administrator, against a decision which they consider to be unfair.

We listened to the greatest demagogue in this parliament, the Minister of the Environment (Mr. Marchand), who has had so many portfolios that even I cannot remember them, tell this House that members of this party are being demagogic. We listened to that friend of the Labour movement, the Postmaster General (Mr. Mackasey), suggest that members of the New Democratic Party were egging on the labour movement. He stated that if it were not for the NDP, the labour movement would not be opposing the government's anti-inflation program.

Today I got the latest issue of the Liberal party's house organ, *Maclean's* magazine. That magazine is beholden to the government because of legislation, which I support, that will eliminate *Time* magazine. It contains an article which I commend to the member who intends to speak. The title is "The Revolt of the Middle-Class Worker". This article was not written by a member of the NDP. It was written by one of the staff of what I call the house organ of the Liberal party, *Maclean's*. Let me put on record the last paragraph of that article. I quote:

—the federal government is committed to price and wage controls, the labor movement is as unmoving in its opposition to them, and a confrontation is inevitable. When it happens, 1975, for all its turmoil, will look like a year of tranquility in comparison.

That is *Maclean's* assessment of what we will have in 1976. Why? It is partly for the reason which we indicated in our motion. Had the government listened to the questions we have been asking for the past couple of weeks, had it followed the advice given tonight by the hon. member for Mississauga (Mr. Abbott), and had it indicated it was prepared to amend the legislation so that workers would have the right to appeal against a decision which they feel is unfair, we would not need to have this debate.

In every other kind of situation in which people feel they have been unjustly dealt with by a law, they have a right to go to a court for redress. Let me give some illustrations. Whether there be Liberal, Conservative, NDP or Social Credit governments, the provinces today are in the process of enacting legislation implementing rent controls. There is not one province which will pass a law which does not provide the right of a tenant or landlord to go before an independent appeal board if they feel they have been mistreated under the provisions of the law.

The government of Saskatchewan passed legislation permitting it to take over the potash mines. Written into the legislation are specific provisions outlining how the companies, if they do not agree with the government as to the price to be paid for the companies, will be permitted to take their complaints to an independent board chaired by a judge of the Superior Court of Saskatchewan.

[Mr. Friesen.]

The Minister of Consumer Affairs (Mr. Ouellet) felt that the sugar companies had conspired to raise the price of sugar. He was probably right. But his department and the Government of Canada, took those companies to court. They lost the case, and when the Minister of Consumer and Corporate Affairs had some unkind things to say about the court and the judge, he was himself called before a court and penalized.

I cannot think of a situation where the government passes a law and then says that its appointees will be the prosecutors, the judge, and the jury all put together. Yet that is what we find in the present instance. We have heard a good deal about the workers being unreasonable in their demands. One would think, from some of the comments which have been made, that workers in the paper mills went on strike for no good reason—that they should have been satisfied with what they were offered by the companies.

Lest anyone is under the impression that these are poor companies I should like to read from the brief which the union presented to the anti-inflation administrator as follows:

The pulp and paper industry in Canada was coming out of a period of unprecedented prosperity which in 1973 saw them more than quadruple their 1972 net profits, after taxes, of $79 million to $320 million and then more than double this figure in 1974 to some $685 million.

That sounded extreme to me. I thought the union might be exaggerating. So I took the trouble, as any hon. member might, of going to the reading room and getting the *Financial Post* survey of industries for 1975. I turned to the section dealing with the pulp and paper industry. What did I find? I want to put these figures on the record because we shall soon learn whether the employees were being unreasonable.

Here we find the Abitibi Paper Company, one of the leaders in the industry. In 1972, according to their own figures supplied to the *Financial Post*, they showed a net profit of $8.5 million. In 1973 profits rose to $30 million, and in 1974 they rose to $45,800,000. Here are the figures for Consolidated Bathurst, no relation, of course, to the Liberal Party. In 1972 they made a net profit of $6.4 million. In 1973 net profit rose to $19.8 million, and in 1974 to $47.7 million. Here are the figures for the Price Company: in 1972, $6.6 million; in 1973, $7.2 million, and in 1974, $31.6 million.

It is the nature of the free enterprise system and of real collective bargaining that when companies make large profits, workers in the unions ask, and expect to get, a share of that increased profit. And that is all this union was doing. So they went on strike. When did they go on strike? Before the government announced its anti-inflation program. They had no knowledge this would happen. That is when they went on strike. Some of them were on strike for seven months.

● (0010)

When agreement was reached with the Irving paper company, the Anti-Inflation Board said, "Your increase of 23 per cent or 21 per cent is too much; you cannot have more than 14 per cent". Did the Anti-Inflation Board say

what happened to the profits of the Irving company, or to the profits of Abitibi, or Bathurst Consolidated? No. After all, profits of corporations are sacrosanct and cannot be touched. Are their prices going to come down? Of course not.

The clown chairman of the Anti-Inflation Board, a former cabinet minister, former director of half a dozen companies, who will have earned the undying support of the corporations so that when he leaves his $50,000 job he will get appointed to a dozen corporations or boards, will guarantee that they are entitled to at least 95 per cent of the profits they have made during the last five years, and of course they will be happy with that. They have never made so much money, so why should they not be satisfied? We know from Revenue Canada that there is no real way to monitor the profits. We know they will go up more than that.

It is no wonder, Mr. Speaker, that the unions went on strike. They went on strike before the act was proclaimed. They reached an agreement before the administrator had been appointed. They asked the administrator as soon as he was appointed to investigate the matter, but he said he could not do so until it was referred to him by the board. Weeks later it was referred to him, and then he made a finding that the company had violated the act. Will the workers who will not be able to get the increase for which they went on strike be able to appeal that decision or go to a court? No. They will not even be able to go to the appeal tribunal.

With regard to the appeal tribunal, it is chaired by a former civil servant with a great record. He was a deputy minister of manpower and immigration and was a failure. So he was moved out of that position and was made chairman of the Unemployment Insurance Commission. He was a disaster there, so they made him chairman of the Tariff Board. Then having failed there, he has now been made chairman of the appeal tribunal. Is it any wonder that the workers are unhappy? Is it any wonder that responsible trade union leaders are withdrawing from all boards and commissions appointed over the years? If we are to have polarization and class conflicts in this country of the kind that we have not seen since the 1930s, it will be because of the unthinking, unfeeling, cynical policies of this government.

The Prime Minister (Mr. Trudeau) wins an election by promising the Canadian people that there will be no wage controls because wage controls are unfair and will harm them. He gets elected with an increased majority on this promise. He then proceeds to steal the program of the opposition party, and then has the gall to criticize all members of the opposition who said we should have controls, when he opposed them, as well as those who opposed controls when he opposed them and who still oppose them, and says we are somehow being unpatriotic or worse. There has been no such act of cynicism in the history of Canadian politics in the more than 100 years that we have been a country. We know parliament has voted on this question and that the government has the legislation it wants enacted.

We know that until the legislation is changed by parliament, or until the courts declare, as I think they will, that parliament has no constitutional authority to pass this legislation, the legislation is law. We know that like any other law it should be lived up to, observed, and obeyed by all citizens of this country. Justice must not only be done, it must be seen to be done. There is no justice and there can be no appearance of justice with a law which, either by accident or by design, is imperfect. I do not know whether this was by accident or by design, but I have been here too long and watched Liberal governments too often to believe this was entirely accidental. It is obvious that this law is flawed and leaves a great deal to be desired.

We did not have to sit here from eight o'clock this evening till 12.30 tonight listening to the sanctimonious approach of the Minister of the Environment and the Postmaster General. We did not need the Minister of Labour to come over here privately and ask us why we do not stop talking because he knows we are right and the government is going to amend the legislation. All the Prime Minister had to do yesterday, a week ago, or today, was admit there was something wrong with this legislation and say the government intended to correct it. All he had to do was be decent and honest enough to do that and we would not have had this debate tonight.

Had the Prime Minister done that we would not now have the responsible, hard working and decent leadership of the labour movement threatening to withdraw from the Economic Council of Canada, from the Unemployment Insurance Advisory Committee, and from that newborn babe created by the Minister of Labour, the Canada Labour Relations Council. We did not need any of this if the Prime Minister had done what anybody with any decency would have done; simply say he was prepared to amend the legislation.

Any decent and responsible individual would have done this if it were true, as has been alleged, and as I believe is now obvious, that in fact the working people who are directly affected by decisions of the Anti-Inflation Board, arbitrators, and possibly tribunals, do not have the right to appeal, as does any citizen of this country in respect of any other law passed by a government, federal, provincial or municipal. Had the Prime Minister done this we would not be here tonight.

I hope those who suggest the imperfection of this law was an accident and not deliberate are correct. I hope in the next day or two, or the next week, we will have the Minister of Labour, or the Minister of Finance (Mr. Macdonald), who piloted the original anti-inflation legislation through parliament, rise in his seat and move the first reading of a bill amending this legislation and making it clear without any doubt, and without any need to go to court or hire a high priced lawyer, that any worker or union that feels a ruling of the Anti-Inflation Board or an administrator is in fact contrary to the law, will have the right to go to court as would be the case in respect of any other law passed by this parliament or by any other jurisdiction in this country.

● (0020)

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the motion that is before us tonight really refers to two items. One is the allegation in the motion that the CLC has announced its intention to withdraw from co-operative

action with the federal government—and it has already been pointed out that considerable poetic licence is involved in this: the CLC is actively considering this matter. What a difference between the two statements. The second part of the motion refers to the right of appeal by bodies subject to orders of the Anti-Inflation Board or the administrator to appeal their ruling to the appeal tribunal. The Minister of Labour (Mr. Munro) when speaking tonight indicated that if there were imperfections in the appeal system, he was quite prepared to look at it again and see what changes would have to be made.

I would like to speak for a few moments about the pulp and paper strike that has been going on in our country now for some months, affecting many communities throughout the country. This strike is a broadly-based one, one that affects communities across the country. It is a labour dispute that affects practically every province, and it has tremendous detrimental effect on many communities throughout Canada. Over 25,000 members of the Canadian Pulp and Paperworkers Union in numerous towns and cities have suffered through the long and difficult months, in some cases up to seven months.

I am especially conscious of the harmful effects that this strike has had on the many industrial towns in Canada where these industries are located. My own constituency of Algoma is facing serious economic problems, not only with the shutdown of the E.B. Eddy plant in Espanola but also because of the spillover effects which this strike has had on other related industries. This area in northern Ontario has often been considered economically depressed, so you can well appreciate that a solution of this labour dispute is of prime importance to the residents of the towns and cities in the area. In Algoma, the strike is located in the town of Espanola. This one-industry town literally has been brought low as a result of the strike, with over 1,000 workers affected and the economy of the town hit rock bottom.

Many families have received virtually no financial assistance for these past four months. Family savings and investments have been used up, and many are now facing serious debt. Other services and activities in the town have been cut back or curtailed. The morale of such a one-industry town is severely damaged by this long shut-down. The effects have, however, spread significantly to virtually all communities in the Manitoulin Islands and North Shore. Support industries to the paper mill are closed or are operating under severe hardship. The number of families thus affected is multiplied enormously.

I have been approached by many individuals and small businessmen who are facing serious financial problems because of the strike, asking me to seek government assistance for them. Many residents employed in the areas north and east of Sault Ste. Marie, located in the Algoma riding in the bush operations of the Abitibi plant, are likewise without work. So the effects of a pulp and paper strike ripple out to the entire community, even into the bush lot operations and the small sawmills selling wood chips to the paper mills. The communities in northern Ontario rely primarily on mining, forestry and pulp related operations. Half of them have been idle for four to seven months, and many families have had to move to other locations and even to southern Ontario and cut their social and community ties. The resulting problems for these one-industry towns are enormous.

I believe that a very unfortunate aspect of this strike has been that it affects most severely families in the small communities and towns throughout the country where media coverage is not as good as in our large urban centres. So in some ways, for much of the country in urban Canada it has really been a forgotten strike because the media has not covered it and they have not brought the normal pressure to bear which often occurs with regard to strikes.

While it may be that some companies have suffered because of losing customers to plants in the United States, it is clear that the companies must shoulder much of the blame for lack of settlement in the negotiations. This is an industry which operates on the leader principle where the big companies tend to settle first, and then the smaller companies settle. At least, this is the theory. Often there is not a concerted effort by the smaller companies to negotiate. By the same token, the companies have not had the normal pressure to settle because of high inventories in the pulp and paper business overhanging the market.

In this connection, I do not think the Canadian people have been greatly affected by this strike, although the effect has been devastating in the small industry towns where many of the pulp and paper mills are located. However, there has not been a public outcry because there really has not been any direct shortage of paper. If there has, it has been so minimal that it has not been noticed by the general public.

Another aspect of the strike which I think is important is that many trade unionists believe there has been a deliberate challenge to the new Canadian Paperworkers Union as it is just beginning to get itself established: it was set up in 1974. We need strong unions which can adequately represent the workers in our plants and production centres, and encouragement is due to the members of the CPU because this is a relatively new union. Its resources have been quite limited, and as a result the assistance it has been able to give its membership during the strike has been limited.

During the last week or so I have been encouraged to see that negotiations are resuming in many parts of the country. There have been some settlements, and I hope there will be more. Although some people will criticize some specific aspect of the anti-inflation program, such as the appeal procedure which is the subject of this motion, I believe most people agree with the need for a program and want to see it work to combat inflation. Our inflation and unemployment rates are too high. It can be argued that our rate of inflation is lower than that of Great Britain and our unemployment rate is lower than that of the United States; however, they are both too high for Canada. As a country, we have a special stake in a good price performance and a low unemployment rate. We are a trading nation. A large percentage of our GNP comes from foreign trade, larger than nearly every other industrialized nation, so it is in our own interest to have competitive prices so that we can sell our products abroad and create jobs at home.

Likewise, on the job scene we have special circumstances in Canada compared with nearly every other industrialized western nation, because we have the fastest growing labour force—a growth rate of 50 per cent during

the period from 1965 to 1980, and over this period over 3.5 million new jobs will be created. Comparing this with other countries, we can see its significance. For example, in the United States, for the same period 1965 to 1980, there will be a 30 per cent increase. During the same period, most western European countries will have a 5 per cent growth in their labour forces. Countries like Sweden have practically no growth rate. So it is important that we control inflation and create more jobs.

I believe that there is general support for the anti-inflation program, not only to reduce prices but also to help our unemployment problem and to put us in a position where we can take advantage of the general economic upturn which seems to be indicated for the last half of this year. Already there has been some indication of a reduction in the rate of the consumer price index with rates lower in both December and January. The December increase was the lowest for any month in three years, only .1 per cent, and January's was at an annual rate of 7.2 per cent. Both are lower than last year. Likewise, the jobless rate has been reduced during the past month or so.

● (0030)

It seems to me that the price side must be the critical concern of the Anti-Inflation Board in the months ahead. Only if the rate of prices continues to moderate will working people be willing to have guidelines on wages. Some 6,500 firms across the country now have to disclose to the Anti-Inflation Board all their profits, prices and dividends and provide this information to the board by February 27. The profits must not increase even though the volume of sales goes up. As well, 117 major firms and their subsidiaries—which brings it up to some 200—which sell $28 billion worth of consumer goods and industrial materials must give the Anti-Inflation Board 30 days notice of any significant increase in price. The board has the power through the administrator to roll back unjustified price increases and should use this power whenever necessary.

Members of the New Democratic Party, during the years of the Food Prices Review Board, demanded that the board be given power to roll back unjustified price increases, profits and rip-offs. Now we have a board with exactly these powers. Why do they not support it?

Mr. Symes: On a point of order, Madam Speaker, I hope the hon. member for Algoma (Mr. Foster) would not want to mislead the House. There are no roll-back provisions for the Anti-Inflation Board relating to prices.

The Acting Speaker (Mrs. Morin): Has the hon. member for Algoma completed his speech?

Mr. Foster: Yes.

Mr. Symes: Madam Speaker, would the hon. member permit a question?

Mr. Foster: No, Madam Speaker.

Mr. Peters: The answer is not written out, so he cannot give it.

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): Madam Speaker, I welcome the opportunity to speak in this debate. I have been bothered for several months because the Canadian people have not paid more attention to this strike in the pulp and paper industry. In mid-December I proposed a motion under Standing Order 26 which was not accepted. It seems to me that in this country, unless something happens in Toronto, Montreal, Vancouver or Ottawa it just does not happen. When there was a very serious strike in the Post Office, every minute of every day the press was bombarding the minister. This particular strike, which affects more people and affects the economy perhaps as much as the Post Office strike, drew no attention at all until the situation became desperate. I welcome this debate and I am pleased that we at least have a chance to give some attention to a very serious problem.

We are all aware of the twin scourges of inflation and unemployment. I spoke on this matter at least two years ago in terms of the Galbraithian idea that prices were being manipulated and wage costs were being passed on. I was, therefore, pleased that the sector of the economy capable of passing on these costs was brought under the controls. Companies with 500 employees or more were controlled so that something could be done to avoid the scourge of inflation which is accompanied by high unemployment. The controls were not introduced in 1974, as the Conservative party had wanted. Then our inflation was fed by demand, and controls would only have complicated the situation and made it worse. There would have been a tendency to reduce supply.

By 1975 conditions had changed and we experienced cost-push inflation. At that stage of the game the controls were probably necessary.

In July and August, 1974, labour income was lagging and prices had risen more quickly than labour income. During the period 1974-75 we saw some significant catch-up affecting a significant portion of the country's working people. Some had not experienced this catch-up when the government introduced controls in October. Consequently it included the provision covering contracts entered into before January 1, 1974, special cases, and historical relationships.

I am not happy with the deliberations of the board on these two particular matters and I am not happy with its workings. The board has not adequately assessed historical relationships, for instance, those that exist between woodland workers and those in the mill. It overlooked the significant increases granted to woodland workers, certainly in my area, in late 1974 and again in 1975. These distorted the picture. I do not think that the Irving settlement, if applied to the Abitibi and Great Lakes paper companies, would have been adequate. I do not think the board took into account these historic relationships. I think the board has failed to come to grips with some of these problems, and for a good reason. It does not fully understand what the implications of its programs will be for the labour movement and does not know how its programs will affect the general welfare of Canadians.

We have four paper mills in our town, three Abitibi mills and one Great Lakes mill, on strike. The first group has been on strike eight months, the second for six. It has been a long strike and there is much hardship. As the hon. member for Algoma (Mr. Foster), said many families are in

real trouble. There is no welfare and no unemployment insurance for most. That situation has created great hardship in our community. It was expected that the settlement would be better than that which the board would allow in the Irving company case. These expectations apparently will not be met. There is a great deal of understandable concern, of chagrin, among the people in our community who have been badly affected by the strike.

There are basic causes for the board's inadequacy. I do not think either the labour movement or the NDP can escape from the consequences of their actions, or from the responsibility for some of the causes leading to the board's shortcomings. What are they?

First, the failure to put a labour representative on the board has caused some of the shortcomings of the board. I well know, as do other hon. members, that the CLC effectively blocked the appointment of a labour representative to the board. The third appointee would have served with Mr. Pepin and Mrs. Plumptre, and would have been a labour representative. I think the board in its deliberations has been less than fair to labour because labour has not been represented. This is an important factor in the board's shortcomings.

● (0040)

There is another factor that is also extremely important. That is in the whole formation of the policy the attitude that labour took when they said they would have nothing to do with it. That is unfortunate because there are things that could and would have been done had the labour movement said that because they did not like it there were some amendments that should be made. For example, I would like to have seen an amendment that would have taken contracts before January 1, 1974, right out of it. Pressure from labour would have had some effect along that line. I hope the appeal process will be corrected. I am sure that if labour had shown more interest and had gotten behind some of these changes, it would have occurred.

In spite of the reaction, not of trade union members but of the trade union movement, I call on the government to make an appointment to the board, even on a temporary basis. If that appointee is not from the trade union movement, he or she should at least be someone sympathetic to the problems of labour. That appointment should be made shortly.

The board will be hearing the terms of settlement of the IWA, the west coast settlement, which I believe is roughly 16.2 per cent. I hope they will look at this settlement very carefully, not reject it out of hand, and not lower it. There is a great deal of justice in that settlement.

I call on the government to bring in an amendment allowing for an appeal as soon as possible. I ask that the cabinet take another look at the Irving settlement, particularly if the board tends to agree with the west coast settlement.

These are the suggestions that I have made: an immediate appointment to the board, a favourable look at the west coast settlement, bringing in an amendment as soon as possible to allow for an appeal, and hearing an appeal from the union. These are the four steps that we must take.

I am very concerned about the future of labour-management relations in this country. I am concerned about the confrontation aspect that is creeping in nowadays. It is not necessary. It is not the Canadian way. It will create a great many difficulties.

There is a need for strong anti-inflation measures such as the present controls. It is extremely important that labour be part of the whole operation. We have to start taking new directions. As the Prime Minister indicated, we may want to look at the West German or Swedish models. At this point it is very important that the trade union movement, labour, be included in consultations. This confrontation business is not going to work. If there had been consultation rather than confrontation we would not be having this debate tonight.

Mr. Benjamin: Mr. Speaker, I wonder if the hon. member would permit me a question.

Mr. McRae: Mr. Speaker, I would be pleased to accept a question.

Mr. Benjamin: I listened very closely to the disappointement which the hon. member expressed with respect to the legislation. During the debate on the legislation, many suggestions were made to make the kinds of improvements the hon. member was talking about, but the government refused. Can the hon. member advise me whether it is correct that he supported the legislation when the bill came to a vote?

Mr. McRae: Yes, I supported the legislation. I should like to have seen some changes. I feel strongly, though, that had the trade union movement been supporting the bill it would have been easier to get some of those changes.

Mr. Benjamin: Would the hon. member permit a further question?

Some hon. Members: No!

The Acting Speaker (Mr. Turner): Would the hon. member like to make a speech?

Mr. Benjamin: No.

The Acting Speaker (Mr. Turner): Then pursuant to Standing Order 26(13) I am satisfied that the debate has been concluded, and I therefore declare the motion carried.

This House stands adjourned until 2 p.m. this day, pursuant to Standing Order 2(1).

At 12.47 a.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, February 19, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

ESTABLISHMENT OF COMMITTEE TO REVIEW RIGHTS AND IMMUNITIES OF MEMBERS—MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a motion to propose under the provisions of Standing Order 43, the urgent and pressing circumstances of which have been indicated by certain recent events and certain decisions in this country and other countries. I move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That a special committee of the House, to consist of Mr. Speaker and seven other members, be appointed to review the rights and immunities of members of the House of Commons, to examine the procedures by which such matters are dealt with by the House, and to report on any changes it may be desirable to make; and

That the said special committee have all the powers given to standing committees by the Standing Orders.

Mr. Speaker: In accordance with the provisions of Standing Order 43 the unanimous consent of the House is required to put this motion. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The hon. member for Peace River (Mr. Baldwin), seconded by the hon. member for Grenville-Carleton (Mr. Baker), moves:

That a special committee of the House, to consist of Mr. Speaker and seven other members, be appointed to review the rights and immunities of members of the House of Commons, to examine the procedures by which such matters are dealt with by the House, and to report on any changes it may be desirable to make; and

That the said special committee have all the powers given to standing committees by the Standing Orders.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

NORTHERN CANADA POWER COMMISSION

REQUEST FOR PUBLIC INQUIRY INTO OPERATIONS—MOTION UNDER S.O. 43

Mr. Wally Firth (Northwest Territories): Mr. Speaker, pursuant to Standing Order 43, I request unanimous consent of the House to move a motion dealing with an urgent matter, namely the proposed increase in power rates in the Northwest Territories and Yukon. In view of the fact that these proposals are causing considerable debate among residents of the two territories; in view of the fact that this debate is severely limited by lack of adequate information about NCPC's operations; and in view of the fact that the government's only reaction to this widespread public concern has been to institute an in-house inquiry; I move, seconded by the hon. member for the Yukon (Mr. Nielsen):

That a full and public inquiry be conducted into the entire operation of the Northern Canada Power Commission in the Yukon and Northwest Territories under the supervision of either a supreme court judge or a public utilities board from one of the provinces. And further, that the findings of this inquiry be placed before the legislative assemblies of the two territories for approval, adoption or otherwise to ensure fullest possible public participation.

Mr. Speaker: Pursuant to Standing Order 43 this motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

* * *

● (1410)

[*Translation*]

THE CANADIAN CONSTITUTION

SUGGESTION BRITISH PARLIAMENT BE INFORMED CONTROL OF CONSTITUTION LIES WITH PARLIAMENT OF CANADA—MOTION UNDER S.O. 43

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to move a motion dealing with an urgent matter.

Considering that Canada is an independent and sovereign country, that most of its citizens do not wish to maintain our constitutional bonds with Britain, and that this situation can no longer be tolerated, so as to solve the problem of the repatriation of the Canadian constitution, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That a unanimous resolution of this House be sent to the Parliament of Westminster advising it that from now on the Canadian constitution will not in any way come under British legislation.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

[*English*]

PENITENTIARIES

REQUEST FOR RELEASE OF FARRIS REPORT ON HOSTAGE TAKING IN BRITISH COLUMBIA—MOTION UNDER S.O. 43

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, under the provisions of Standing Order 43, in view of today's hostage taking at the B.C. penitentiary, I move, seconded by the hon. member for Surrey-White Rock (Mr. Friesen):

That the Farris inquiry report on the hostage taking at the B.C. penitentiary last year be tabled in this House immediately.

Mr. Speaker: Order, please. The motion moved pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

SUGGESTED TABLING OF INFORMATION ON WHICH RECOGNITION OF NEW GOVERNMENT OF ANGOLA BASED—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to Standing Order 43, I rise on a matter of urgent and pressing necessity. In view of this government's quick acceptance of the new Communist régime in Angola, and as this country needs necessary assurances and evidence that the MPLA are indeed in control of Angola, I move, seconded by the hon. member for Northumberland-Durham (Mr. Lawrence):

That the Secretary of State for External Affairs table documents, correspondence and other papers relating to the government's reasons for deciding to recognize the new Communist government of Angola.

Mr. Speaker: Order, please. The motion cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL RHETORIC DAY

PROPOSAL TO NAME DAY IN VIEW OF CONSERVATIVE LEADERSHIP CONVENTION—MOTION UNDER S.O. 43

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I ask leave to propose a motion pursuant to the provisions of Standing Order 43 on a matter of urgent and pressing necessity, requiring the prompt attention of the House. As the nation's capital obviously is in the process of being inundated by legions of well-scrubbed, blue-suited Tories—

Some hon. Members: Hear, hear!

[Mr. Speaker.]

Mr. Symes: —as the city is now experiencing a superheated atmosphere, and as it is urgently necessary to inform local inhabitants and the people of Canada as a whole of the true nature of this curious invasion, I move, seconded by the hon. member for Brant (Mr. Blackburn):

That Sunday, February 22, the day on which thousands of Tories shall be reaching the ecstatic climax of their activities, be hereby immortalized and renamed as National Rhetoric Day.

Mr. Speaker: Order, please.

* * *

TRANSPORT

REQUEST FOR DELAY IN IMPLEMENTATION OF RAIL PASSENGER POLICY PENDING CONSULTATION WITH AFFECTED AREAS—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the concern expressed by the western region representatives of the Federation of Mayors and Municipalities concerning the lack of consultation on the part of the government with regard to the recently announced rail passenger policy, and in view of the resolution passed by the council of the city of Saskatoon expressing apprehension over the effects of the new rail passenger service on some aspects of transcontinental service, I move, seconded by the hon. member for Meadow Lake (Mr. Cadieu):

That this House direct the Minister of Transport to delay implementation of the new rail passenger policy, pending full consultation with officials of cities, towns and municipalities affected, and that the minister make a statement on motions to the effect that the transcontinental service will be continued between Saskatoon and Biggar.

Mr. Speaker: Order, please. The motion cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

TRIBUTES TO RETIRING LEADER OF OPPOSITION

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, with your indulgence, may I rise on a point of order or question of privilege? I ask to be permitted at this time to say a few words about our friend, the Leader of the Opposition (Mr. Stanfield).

Some hon. Members: Hear, hear!

Mr. Trudeau: This weekend, if everything goes according to plan, the Leader of the Opposition will hand over his job to some other member of his party. Already I feel a little lonely. We have been partners during these past seven years, and in this sense I do feel his departure, and the splitting up of what I suppose could be called "The Odd Couple."

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Trudeau: Indeed, it is an odd couple, Mr. Speaker, whose fate has inextricably been bound for several years for better or for worse, as the saying goes. Under some parliamentary conventions, we are in a way paid to oppose one another. However, I believe I have been fortunate indeed to have to face the opposition of such a man who has always shown much distinction and competence.

[*English*]

Like any couple living and working in the same house, we have had our spats and tiffs. I have been the object of "Big Thunder" rolling over there, as the press have nicknamed the Leader of the Opposition (Mr. Stanfield). He is fortunate in a sense that we can use his nickname in the House. The nickname the press gives me is unparliamentary.

An hon. Member: Name one.

Mr. Trudeau: I do not know them all. If I knew of one that was parliamentary, I would be volunteering it at this time. Apart from the occasional disagreement, we have also shared an exchange of good will and of good and bad days. We have had the responsibility of difficult times when it was essential to work together with a common purpose. My hon. friend has made an outstanding contribution to parliament for which all Canadians, not just Conservatives, are very grateful and thankful.

Some hon. Members: Hear, hear!

Mr. Trudeau: His public service to Canada and to Nova Scotia has spanned a period of some 27 years. I know his decision to change his job will not mean that he will have less concern for, or less interest in, our country. Throughout his career he has been a man of vision and ideas. I should say that I borrowed a few of them in my day.

Some hon. Members: Hear, hear!

Mr. Trudeau: Although I do not have much direct influence on the outcome of the convention of the party opposite, I know they will be looking for a man of equal competence.

Mr. Hees: Or a woman.

Some hon. Members: Hear, hear!

Mr. Trudeau: Whoever it is, Mr. Speaker, I wish "it" good fortune.

Some hon. Members: Hear, hear!

Mr. Trudeau: I will miss the constant attention of my original partner. I hope that the change in partners will at least permit him to enjoy some time with his family. His family certainly very strongly supported him. They, too, deserve the gratitude of this country.

Some hon. Members: Hear, hear!

● (1420)

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, although I have only recently joined this ménage à trois, I should like to associate myself with the Prime Minister (Mr. Trudeau) in paying this well deserved tribute to the leader of Her Majesty's Official Opposition (Mr. Stanfield). We are paying this tribute to a man who has graced the House of Commons with his presence for the past 8½ years. Those of us who have shared our parliamentary experience with him have shared that experience with a blunt, courteous, honest and witty man.

Some hon. Members: Hear, hear!

Mr. Broadbent: When I sat down in my office this morning to put together these few words in tribute to the hon. member for Halifax, four particular qualities of his came to mind, in no particular order—I think they stand out equally in his character. They are personal qualities which appeared to me as his particular contribution to the political life of our land. The first is that he has always shown a strong and serious concern about the dual cultural heritage of this country.

Some hon. Members: Hear, hear!

Mr. Broadbent: At times when it was not always politically expedient or popular to do so, he took courageous stands in defence of a long tradition of French-speaking rights which had to find new expression in legislation in our generation, just as they had to find expression in earlier legislation. He stood up to be counted when it was required, and for that all Canadians owe him grateful thanks.

The second quality which comes to mind is his sense of compassion. This has been displayed in connection with various legislative matters which have come before the House and, indeed, on a number of issues which have not. I am thinking of his early concern about the need for some form of guaranteed income for Canada's poor, even though it meant doing battle within his own party, as all of us find necessary from time to time. That kind of attitude toward less fortunate people was something which had to be fought for—and he has made this known on issue after issue.

Some hon. Members: Hear, hear!

Mr. Broadbent: The third quality is the hon. gentleman's overriding sense of honesty. This came out in the campaigns. It has been demonstrated in the House and it has been demonstrated in all aspects of his life both inside and outside this chamber. Finally, he has demonstrated, as very few of us do, as politicians, his possession of a sense of humour. I think there is one virtue that those of us who run for political office cannot claim to be ours to the same degree, perhaps, as other people in the population, and that is the capacity to laugh at ourselves. If there was ever a calling in human life that ought to bring forth the capacity not to take oneself too seriously, it ought to be the politician's vocation.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Stanfield has even been known from time to time to poke fun at some of his opponents as well. In conclusion, for my party, Mr. Speaker, I should like to say that in his new role we wish this distinguished Canadi-

an well. We also hope that down the road he will spend more time in the presence of bananas than of footballs.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have great pleasure in joining the Prime Minister (Mr. Trudeau) and the NDP Leader (Mr. Broadbent) to express good wishes, thanks and congratulations to the Leader of the Opposition (Mr. Stanfield) who will resign as Leader of the Opposition this coming weekend.

Mr. Speaker, I believe that, independently from political ideologies, the House of Commons, every member and the whole population have highly appreciated Mr. Stanfield's qualities as a truly great Canadian. We have noted during these seven or eight years that the Leader of the Opposition has beyond any doubt demonstrated his interest for the people and for national unity, being the representative of all Canadian regions and not only one area to the detriment of the others. He really has the stature of a great national statesman—international, I might even say—since he often looked into matters concerning Canada in its relations with other nations. Mr. Stanfield is an honest man who has stirred up the admiration and respect of the people, though it has not necessarily been reflected at election time. But, at any rate, he has deserved the admiration of the population for his sense of responsibility. He has always been at his post and he has commanded respect from the population and hon. members.

We wish happy days to the Leader of the Opposition and his family. Most of all, we wish him good health and much happiness in the years to come, which we hope will be most numerous. Good luck to the Leader of the Opposition!

[*English*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I am grateful to the right hon. gentleman and to the leaders of the other parties for the tributes they have paid in initiating this interesting point of order which I am putting into my rule book for future reference. Before the right hon. gentleman spoke, I had considered asking a question. I consulted the hon. member for Winnipeg North Centre (Mr. Knowles) and found a precedent going back to 632 B.C. under the laws of Justinian.

Some hon. Members: Oh, oh!

● (1430)

Mr. Baldwin: The hon. gentleman assures me he was not in the House then, but he is well aware of the precedent.

Some hon. Members: Oh, oh!

Mr. Baldwin: I want to say to my hon. friend, the Leader of the Opposition with whom I have had the pleasure of sharing this seat, that he came into this House on a great wave of support from ski-jumpers. I understand, Mr. Speaker, that after watching the Prime Minister (Mr. Trudeau) he will now take up the art of wrestling as a very useful and effective means of dealing with the problems of the country.

Seriously, sir, this has been quite a time. A lot of people think of my hon. friend sitting here as Leader of the Opposition (Mr. Stanfield) while I have been sitting here as House leader, but really it has been an exercise which we call "the education of Pierre." I may say to the right hon. gentleman that we now have the examination papers. We are marking them, and from time to time we will let him know exactly what his mark is.

Some hon. Members: Hear, hear!

Mr. Baldwin: Let me say through you, sir, to members of the House that it has been a great privilege for me to occupy this seat, and a great privilege for me to have been a member of this party which has had the pleasure of working under the leadership and guidance of my hon. friend.

Some hon. Members: Hear, hear!

Mr. Baldwin: I say this only in conclusion: he is leaving this party, as an opposition party it is true, but an opposition party which under the democratic system that prevails in this country is a necessary and essential part of the function of a democracy and a parliamentary structure. It has been honed to an edge. We have had some vigorous arguments from time to time, as people are aware, but it is a united, effective and hard working party, willing and able at the appropriate time to walk across the floor to a more suitable position. That is the legacy which my hon. friend has left to this party and to this parliament.

Some hon. Members: Hear, hear!

Hon. Robert L. Stanfield (Leader of the Opposition): After all that, Mr. Speaker, a less loquacious man than myself would be speechless.

Some hon. Members: Hear, hear!

Mr. Stanfield: Before this afternoon and these extraordinary remarks, I had sensed that the country might never be quite the same again, but I did not fully realize the extent of the national disaster.

Some hon. Members: Hear, hear!

Mr. Stanfield: It may be, sir, that in view of this, before taking this decision I ought to have consulted my friend, the right hon. Prime Minister (Mr. Trudeau) and other party leaders in this House, or at least the chief government whip who I can see is obviously devastated.

Some hon. Members: Oh, oh!

Mr. Stanfield: I wish to thank members on all sides of the House for their friendship to me while I have been Leader of the Opposition.

[*Translation*]

Our debates have sometimes been quite animated, but never acrid. I have the very deep feeling that we are united by a sense of mutual respect which makes the grandeur of this House.

I take this opportunity to express my warm thanks to the staff of the French *Hansard*. They have had to be very patient with me.

[*English*]

Mr. Speaker, I feel I should thank you particularly for your courtesy to me and your understanding of my role

from your position as Speaker. I hope I have not caused you too many problems, and I do want to thank you for your impartiality and your consideration of the office that I have had to fulfil.

I want to thank the Prime Minister for his friendship, and particularly for his comments here this afternoon. I might have said, I suppose, that he will not have Bob Stanfield's football to kick around any more.

Some hon. Members: Oh, oh!

Mr. Stanfield: In spite of the Prime Minister's sense of loss, I hope it will be of some consolation to him to see that I am unfolding as I should.

Some hon. Members: Hear, hear!

Mr. Stanfield: I want to thank the leader of the NDP (Mr. Broadbent), too, for his friendship and for his very generous comments. I recall that when he was thinking hard about whether or not he should seek his present responsibilities he had some real problems in reconciling what he foresaw as the obligations of the office and the obligations of leadership and his wish to have some time to listen to some Bach. I just want to say to him, sir, through you, that anytime he is in my vicinity I hope he will drop in so I can go over a few records with him.

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Stanfield: I would also like to thank the Leader of the Social Credit Party of Canada (Mr. Caouette) for his very kind words and for his friendship over all those years.

[*English*]

I wish to say simply about the leader of the Créditistes that he has always struck me as the sort of man from whom I would buy a used car.

Some hon. Members: Hear, hear!

Mr. Stanfield: I wish to end on a comment of challenge and a little uplift to all of this. I am, of course, continuing in the House as the member for Halifax, and I want to serve notice on the right hon. Prime Minister and members of the government that as a backbencher I will be even more of a tiger than I have been as leader.

Some hon. Members: Hear, hear!

Mr. Stanfield: I had a question prepared today that would bring the government down, sir, but I have decided that in the circumstances I will defer it until next week.

Some hon. Members: Hear, hear!

● (1440)

ORAL QUESTION PERIOD

[*English*]

PENITENTIARIES

BRITISH COLUMBIA—REQUEST FOR REPORT ON SEIZING OF HOSTAGES

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I regret I must disturb the convivial atmosphere of the House. I have a question for the Solicitor General. This morning at eight o'clock Mr. Bruce and Mr. Lucas, two of the prisoners who held 15 hostages last June in the New Westminster penitentiary, again seized hostages in the penthouse. Could the Solicitor General tell the House how many hostages were seized, whether they are safe at this moment and what the demands are at the present time.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, this morning at 8.20 a.m. Pacific time and 11.20 our time, three inmates from the B.C. pen, namely Mr. Lucas, Mr. Bruce and Mr. Lowe took three correctional officers hostage in the new segregation area of the B.C. pen. No information is yet available as to how the hostages were taken. So far the only demands are for an outside doctor, some drugs and a radio. I wish to point out to the house that the segregation area and the segregation conditions at the B.C. pen were changed recently following a judgment of the federal court that the former segregation area in the building was considered cruel and unusual punishment under the Bill of Rights. After that judgment we changed the segregation area to the one where the hostages were taken this morning. I have been in touch with the penitentiary officials who assure me that everything is being done to resolve the situation.

Mr. Friesen: Mr. Speaker, may I ask the Solicitor General whether there were any weapons of any type involved when these hostages were seized and whether it happened during the time when the prisoners were being transferred or what were the circumstances?

Mr. Allmand: Mr. Speaker, to the best of our knowledge the inmates have two knives. It appears these knives were kitchen knives which they sharpened in some way or other in their cells. These inmates were in segregation which means they were in a place in the penitentiary where they were not loose but it appears they were outside their cells in the corridor, which is also locked, taking exercise when the hostages were taken, but it is difficult to get all the details because the only witnesses to the event were the men who were taken hostage.

REQUEST FOR RELEASE OF FARRIS REPORT

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Solicitor General. Would the Solicitor General consider releasing the Farris inquiry report to this House so that we can see the reasons the judge found for the previous taking of hostages? Perhaps that would lead us to some conclusions concerning why this hostage-taking took place.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I have been ready to release that report for some time. The only reason it has not been released is that the judge recommended we should not release it while the three inmates who took hostages in the last incident were under trial, that it would in some way be in contempt of court or against the traditions of a fair trial. It is for that reason we have not released the report. I have been ready to release it. I may point out that these three, Lucas, Bruce and Wilson, are still under trial for the last incident and I do not know whether it would be appropriate to release that report while they are under trial.

Mr. Reynolds: Mr. Speaker, in view of the fact that my party released the blueprints for the new section of the pen in this House sometime ago—there was a leak in those areas—and in view of the fact that we have received information from some of the security people inside the pen which involves this group, that is information which was not put before the Farris inquiry, which included information that the director and classification people had been told beforehand that it would happen, does the Solicitor General believe that the House and the country would be better off if we overruled the request of the judge and released that inquiry report immediately so that the Canadian people can know what has happened?

Mr. Allmand: Mr. Speaker, I think the information in the report will be of interest to the members of the House and to the public in general, but I do not see how it will resolve the hostage incident at the B.C. pen at the present time. My first concern is to resolve that incident and then make this information public later.

* * *

ANTI-INFLATION BOARD

SUGGESTED CHANGE IN APPEAL PROCEDURE—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. Yesterday during the question period the Prime Minister said that no worker in Canada could claim there has been an injustice operated against him if he had received a cut-back in pay as a result of the administrator's decision on a matter that had been referred to him. Has the Prime Minister given further thought to that answer and, in particular, would he agree that a worker in such circumstances does have his financial interest profoundly affected, and does so within the law which gives him no right to appeal. If he is in agreement with that I should like to ask the Prime Minister if he would be prepared to consider changes in the law so that there would be a right to appeal along the lines the Minister of Labour indicated in the debate yesterday were being contemplated.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, if I may respond on behalf of the Prime Minister, we will indeed be giving early consideration to such amendments to be brought before the House.

Mr. Broadbent: Mr. Speaker, may I ask the minister to be a little more specific. Could he tell us if the kind of amendment the government is contemplating would be such as to guarantee the right of appeal to either the employee or employer in terms of the decision reached by the Anti-Inflation Board prior to that being considered by the administrator.

Mr. Macdonald (Rosedale): Not specifically, Mr. Speaker. As has been set out a number of times we do not see the decision of the Anti-Inflation Board to be of the nature of a legally binding decision. We would anticipate, as I said before, that the chairman in the case where the parties have indicated they would not accept the board's judgment would be proposing to make an early reference to the administrator to include in a legal order the provisions with regard to the particular settlement or price. The question which seems to be raised most effectively in this context is whether there might be any further appeal from the administrator to the appeal tribunal and thereafter eventually to the courts. It is that right of appeal which parties might enjoy which should be considered.

Mr. Broadbent: Mr. Speaker, since the law which now exists makes it virtually impossible for the employee to have an appeal of any matter being raised before the administrator or after would the minister be more specific now in terms of the precise nature, not the detail, of the change in the legislation he has in mind and also inform the House when the government plans to bring it forward.

Mr. Macdonald (Rosedale): Mr. Speaker, I do not want to debate with the hon. gentleman, but as I have indicated some days ago in the case where either party involved in, for example, a compensation settlement, indicated it was not satisfied with the board's decision the board would refer it to the administrator. So perhaps there is not a meeting of minds between us. So far as we see it the difficulty is from the point of the order on whether the party's ability to establish the right of appeal is broad enough in the act as presently drafted.

* * *

● (1450)

[*Translation*]

HEALTH

INQUIRY AS TO REGULATIONS CONTROLLING SALE AND IMPORTATION OF BLOOD

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

On February 3 last, on *Le 60*, a television program, it was reported that blood collected by the Red Cross was being sold on a commercial basis by a Toronto firm; photos and pictures were shown. Can the minister tell the House whether his department looked into the matter and, if so, with what results?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, an inquiry was held according to normal procedures. As a result of that investigation, rules were edicted controlling the exports of certain blood products. Those rules came into effect at the end of last year. At

the present time, all exports of that type are governed by controls and rules. Additional regulations are now being considered, and I shall soon be in a position to advise the hon. member of the results of that study.

Mr. Caouette (Témiscamingue): Mr. Speaker, on a supplementary.

The minister tells me that exports have been controlled since the end of 1975. Does the same apply to imports? Do companies in Montreal or Toronto import blood from South American countries, for instance, where blood is bought for so much a pint, a half pint, or something similar, and where people are allowed to drink alcohol to increase their blood quantity? I should also like to know if blood coming into Montreal is also controlled?

Mr. Lalonde: Mr. Speaker, with regard to imports, a distinction must be made between two factors: the case where imports are strictly in transit and over which no control can be exercised. We are now looking into specific regulations that could apply to the import into Canada of blood products coming from abroad but intended for export.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

DATE OF APPROVAL OF PROCEDURE FOR ANTI-INFLATION APPEALS TRIBUNAL

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a supplementary question to that asked by the hon. member for Oshawa-Whitby to the Minister of Justice. Can the minister advise if the rules of procedure in connection with the appeal structure of the Anti-Inflation Appeals Tribunal have been approved yet, including the form of notice of appeal, and if so, when will they be published?

Hon. Ron Basford (Minister of Justice): Yes, Mr. Speaker. As hon. members know, the chairman of the board was only appointed last Friday. This morning was the first cabinet meeting at which there was opportunity to report the rules of procedure as they have been passed by the governor in council. They will be registered tomorrow, after the Governor General signs them, and published in the first Canada *Gazette*. It is a very simple set of procedural rules of some four pages in length. If before they are registered anyone feels the need to appeal, between now and Friday, I am sure a letter identifying the order against which they wish to appeal directed to the chairman would suffice.

* * *

INDUSTRY

REQUEST FOR REPORT ON MEASURES TO INCREASE PRODUCTIVITY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. As Statistics Canada has just reported that during the past two years imports of fully manufactured products, which are the ones which produce jobs, have increased at a rate three times as fast as exports of those products, could the Prime Minister advise the House when he intends to give the House his long awaited report on what the government intends to do to increase productivity and thereby make it possible to reduce costs and selling prices for manufactured goods to retain a reasonable proportion of the Canadian market?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on the question of productivity the hon. member will recall that a couple of weeks ago I indicated that we would, in one form or another, be addressing this question. However, with regard to the fact that we are able to buy more manufactured goods from abroad than markets abroad are able to buy of ours, that merely indicates what this government has been saying for a long time, that this government has kept Canada more prosperous than our trading partners have kept their countries.

Some hon. Members: Hear, hear!

Mr. Hees: Mr. Speaker, as the Prime Minister surely knows from studying these reports, the imports of fully manufactured products have been rapidly displacing Canadian manufactured products which normally would sell in this country, and I hope he understands that. In view of the fact that this government treats productivity in the same way it treats the weather, talking a lot about it but doing absolutely nothing to improve it, I wonder if the Prime Minister would assure us that the statement he has promised to the House will be made in a matter of days instead of weeks or months, because it is very badly needed.

Mr. Trudeau: Mr. Speaker, the situation is obviously one of concern to the government, and I indicated before on the productivity question that not only had we discussed this in the policy paper of October 14, but that we were going to report further on it. I just suggest that one of the reasons was that we were having an inflationary rate in Canada which was worse than that of some of our important trading partners. That is why we brought in this controls program, and we cannot understand why the official opposition voted against it.

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[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF THE PRESIDENT OF THE EUROPEAN ECONOMIC COMMUNITY

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, let me just interrupt the debates for one moment to salute the presence in the gallery of Mr. Ortoli, President of the Commission of the European Economic Community. We welcome him in this Parliament.

Oral Questions

[*English*]

AGRICULTURE

MILK—POSSIBLE MEETING WITH PROVINCIAL MINISTERS TO REVIEW POLICY

Mr. James A. McGrath (St. John's East): Mr. Speaker, I direct my question to the Minister of Agriculture. In view of the very serious over-supply situation in the dairy industry in Canada resulting from the minister's excessive target support price in his current dairy policy, does the minister intend to meet with his provincial counterparts to discuss a review of dairy policy, which would have as its principal objective the availability in Canada of a ready supply of milk to consumers at lower prices than those prevailing at the present time?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I want to make it clear that I have always met with my provincial counterparts when requested. I am actually meeting one who is here in the city for another function tomorrow morning, but I want to say that federally we have nothing to do with the price of fluid milk. Each provincial marketing board, utility or whatever it is sets the price.

To put the record straight, the surplus products are not being subsidized one iota by the federal government. The farmers have to look after disbursing that on world markets themselves. The price of skim milk powder here in Canada to consumers, as I said yesterday, is approximately 2 cents a pound cheaper than it is in the United States of America.

SKIM MILK POWDER—SUGGESTED REDUCTION IN PRICE

Mr. James A. McGrath (St. John's East): Since the federal government is currently spending a quarter of a billion dollars a year, or approximately $12 for every man woman or child in this country, on subsidizing the dairy industry, and since the minister has direct control over the price of Canadian skim milk powder, which is now selling in Japan for a third of the price Canadian consumers have to pay, will the minister take steps in this area—which is directly within his jurisdiction—to bring down the price of skim milk powder in Canada which would have the effect of reducing the oversupply situation which the minister has created?

Hon. E. F. Whelan (Minister of Agriculture): As the hon. member will remember, when another product sold for three dozen for a dollar, consumption actually went down, so price does not have that much to do with consumption. The hon. member should realize that. I hope he learned that much from all the hearings which took place on that subject at one time.

However, the skim milk powder Japan is getting for so much less is not instantized. It is in 100-pound bags and in raw form plus it is for animal consumption because of age. That is available in Canada, and the skim milk powder which is being made available and consumed in Canada is being subsidized to the tune of 34 cents per pound. It is an instantized product, it is cheaper than in the United States and I think the hon. member should realize that.

[Mr. Trudeau.]

POST OFFICE

EXTENT OF JURISDICTION OF INJUNCTION PRESERVING UNION RIGHTS OF EMPLOYEES

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General, and it follows up a question asked of him the other day. In view of the moral obligation of the government with respect to the postal employees who have been suspended from the Canadian Union of Postal Workers since the strike last fall, could the Postmaster General be more specific as to the jurisdiction of the injunction issued by Mr. Justice John O'Driscoll of the Ontario supreme court, an injunction which preserves the rights of the employees while they are appealing this suspension?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, the preliminary report I have is that the injunction is limited to that particular local and to the particular problems of the people who raised this matter through the courts. I have been informed unofficially that similar action is now being contemplated in no less than 14 other locals across Canada. I know this only from correspondence which has come into my office from a legal representative of these particular people, and it will be interesting to see if this decision of the judge will be used as a form of jurisprudence in coming to a conclusion with regard to the other locals.

Mr. Dinsdale: Could the Postmaster General indicate that in fact an injunction of this kind does preserve the rights of the employee during the appeal process?

Mr. Mackasey: I can only speak for the Post Office. Whether these workers are members of the union, suspended by the union, or even if they do not belong to the union in no way jeopardizes the rights of postal employees in so far as their jobs are concerned. What I said some weeks ago was that the constitution of the union provided ways and means of appeal and provides an outline very clearly of the procedures necessary before an individual can be suspended. No doubt it was the opinion of the judge that the constitution was not respected by the local officers when they suspended certain individuals.

* * *

● (1500)

[*Translation*]

EXTERNAL AFFAIRS

REQUEST FOR REPORT ON DISCUSSIONS OF PRIME MINISTER WITH EUROPEAN ECONOMIC COMMUNITY

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I have a question for the Prime Minister.

Could he briefly tell the House and the Canadian people how far the negotiations with the European Economic Community have progressed through his personal initiative?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, very briefly, I feel that President Ortoli's visit to

Canada represents a very important step in those negotiations. We have heard that the council of ministers of the EEC has approved the principle of negotiations between the Community and Canada, and President Ortoli, my ministers and myself are discussing the exact date when they could begin. We hope very much it will be soon. I am confident that, at the end of the meeting with President Ortoli, we will be in a position to announce the date.

* * *

[*English*]

PENITENTIARIES

BRITISH COLUMBIA—POSSIBLE USE OF SPECIAL TACTICAL UNIT TO DEAL WITH INCIDENT INVOLVING SEIZURE OF HOSTAGES

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question to the Solicitor General is somewhat supplementary to the questions that were asked concerning the unfortunate hostage incident at the British Columbia penitentiary this morning. Following the Mary Steinhauser incident a special tactical squad was developed outside the penitentiary to deal with this kind of specific incident. It was attached to the co-ordinating law enforcement unit. I wonder if the Solicitor General could advise the House whether in this incident it is the intention to use the special squad that has been trained in terms of hostage-taking incidents which involves people outside the penitentiary.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, officials of the penitentiary service have been in touch with the British Columbia government with respect to this tactical squad and I am waiting for further information on its use.

BRITISH COLUMBIA—POSSIBILITY OF APPEALING JUDGMENT CONCERNING SOLITARY CONFINEMENT—CONSTRUCTION OF SPECIAL UNITS FOR DANGEROUS INMATES

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, my question is also for the Solicitor General concerning this new crisis in the British Columbia penitentiary. Since Lucas and Wilson participated in the last fatal crisis in which Mary Steinhauser died, and since they have openly declared repeatedly that they have nothing to lose, could the Solicitor General state whether security was diminished in compliance with that celebrated solitary confinement judgment; will he appeal that judgment; and is he considering a special correctional unit for the 2 per cent or 3 per cent like Wilson and Lucas in the Canadian prison system who are too dangerous to be in the general prison population?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I should point out to the hon. member that Mr. Wilson is not involved in this particular incident. The three inmates involved are Lucas, Bruce and Lowe. Wilson was one of the three in the last incident but is not involved here. With respect to security, as I pointed out in my earlier answer, these three inmates who have taken the hostages were in segregation and not allowed to leave the segregated area at any time. In the last case, they were in the general population.

In answer to the further question by the hon. member we are going forward with smaller, maximum security institutions. We have just approved a site for two maximum security institutions, one in Agassiz and one in Lillooet.

* * *

ENERGY

DATE OF PUBLICATION OF REPORTS ON RADIOACTIVE WASTE DISPOSAL SITES

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Several weeks ago the minister undertook both inside the House and outside the House, to release reports on the position of the department relating to various radioactive disposal sites across the country and to give the specific locations of the high radioactive readings in the Port Hope area. Can these reports now be released and if not, why not?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I expect to table these reports following the question period today.

* * *

TRANSPORT

POSSIBILITY OF INCREASE IN ST. LAWRENCE SEAWAY TOLLS—GOVERNMENT POSITION

Mr. Jack Murta (Lisgar): Mr. Speaker, may I ask the Minister of Transport if the government is contemplating an increase in the St. Lawrence seaway tolls as has been mentioned in the press?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the question of such an increase has not yet come before the cabinet for consideration. We are planning to look at the whole question of capitalization of the seaway and its basis of operation, but I do not know how many weeks that will take.

Mr. Murta: A supplementary question. In that case would the minister assure the House that there will not be an increase for the 1976 shipping season; in other words, a decision will not be made before April 1, 1976.

Mr. Lang: Mr. Speaker, I have heard the hon. member's representations. If any increase is considered, timing is one of the issues to be taken into account.

* * *

HOUSING

REASON FOR ESTABLISHING LOW VACANCY RATE GOAL FOR APARTMENTS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, in the absence of the Minister of State for Urban Affairs

may I direct a question to his able parliamentary secretary? I understand that the minister has established a 2.5 per cent apartment vacancy rate as his goal for 1976. Considering that housing officials feel this rate must be at least 3 per cent to 4 per cent in order to maintain a healthy rental market, can the minister explain to the House upon which basis he arrived at this figure and why it is so low?

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, it is common knowledge that the rate was about 4 per cent. We are aiming at a rate of about 2.5 per cent. With the hon. member's advice and good work, and with the co-operation of everybody, I hope we will reach that goal.

Mr. Darling: A supplementary question. In view of the fact that housing officials and more specifically Bernard Denault, President of HUDAC, feel that the new ten year loans system to finance apartment construction is inferior to the old one year subsidy system, and considering that apartment vacancies even under the old system approached zero per cent in major centres, how does the minister hope to realize his goal of 2.5 per cent?

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, the hon. member knows that under the new program we have offered all builders of apartment buildings a loan of $100 per unit. We are hoping that, as they did last year, they will reach the goal that we have set. The objective will be to the advantage of all the economy.

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REGIONAL ECONOMIC EXPANSION

SUFFIELD COMMUNITY PASTURE—REQUEST FOR PERMANENT OPERATION

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion relating to the closing of the PFRA community pasture at Suffield near Medicine Hat. A very irresponsible and inaccurate press release from wildlife and fish and game interests that states:

> The native grasslands of the Suffield military reserve, approximately 1,000 square miles of what was once one of the ecologically most valuable natural areas left in North America have been almost totally destroyed by the mismanagement of the Canada Department of Agriculture, Department of National Defence and the PFRA administration.

Will the minister give immediate consideration to the full and complete support of his PFRA staff recommendation that this community pasture, a very small part of the total Suffield area, should continue to operate but on a permanent basis instead of the present unsatisfactory arrangement?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, there is no need to say that I do not share the sentiments expressed by the Alberta fish and game association. I am questioning their statement. Our department is still very interested in the Suffield pasture, but we will have to continue the discussion with the Department of National Defence which has been going on for some time to find out the best use to which that land can be put. I can assure the hon. gentleman and the House that it is a very important question. I am sure my colleague, the Minister of National Defence, and I will pursue the matter for some time.

* * *

● (1510)

TRADE

REASON FOR PERMITTING CHEESE IMPORTS WHEN CANADIAN DAIRY EXPORTS SELLING AT A LOSS

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question to the Prime Minister arises from the serious financial losses confronting Canada. According to recent press reports, one factor is the Canadian Dairy Commission's debt, which has skyrocketed from $100 million to $300 million during the past year, which means that Canada is exporting butter and milk at a loss. Since the Prime Minister is trying to obtain contractual agreements with the European Economic Community, my question is this: Why should we be exporting dairy products at a continuing loss, when the European Economic Community, through their common market, is shipping 50 million pounds of cheese or more to Canada, at a profit to their component producers?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Canadian policy in this regard was announced last year. It is to increase gradually the imports of cheese from the common market. Last year the quota was 50 million pounds. Discussions are presently going on to see if we will increase that quota, or hold it at the present level. I think the Minister of Agriculture will have an announcement to make soon.

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ENVIRONMENTAL AFFAIRS

FRASER VALLEY FLOOD CONTROL PROGRAMS—STATUS OF REQUEST FOR ADDITIONAL FUNDS

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, my question is for the Minister of the Environment. In reply to a question asked by my colleague, the hon. member for Fraser Valley West, as reported at page 9682 of *Hansard* for December 3, 1975, and later confirmed in a conversation with me, the then Minister of the Environment stated that flood control in the Fraser Valley was of top priority for the government and suggested that the request for an additional appropriation to continue the program was before Treasury Board. Could the minister advise the House whether a request was before the board at that time or has been placed before the board since, and whether a decision has been made on the request?

Hon. Jean Marchand (Minister of the Environment): Mr. Speaker, I know that the request was made to Treasury Board to increase the contribution of the federal government from $31 million. The B.C. government had paid $31 million. I think Treasury Board approved a $6.5 million increase with regard to the Fraser Valley. This will continue for a number of years not determined in the

Treasury Board's decision. I intend to make a request to Treasury Board, in an attempt to treat all parties fairly.

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TRANSPORT

PRINCE EDWARD ISLAND FERRY SERVICE—POSSIBILITY OF CHANGE IN RATES

Mr. David MacDonald (Egmont): Mr. Speaker, my question to the Minister of Transport relates to the suggestion that there might be some alteration of ferry rates to and from Prince Edward Island. Has the minister conferred with the government of Prince Edward Island and can he indicate if that government has agreed to possible changes in this regard?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the subject of proposed changes in ferry rates came up for discussion during the meeting I had with ministers of transport of the Atlantic region last week, and has been the subject of messages from those governments to myself, as well. They expressed reservations about increases. We asked them for opinions as to the nature of the increases, that is to say, which items would be least sensitive to increases. I have not received a firm expression of view from them on that matter.

Mr. MacDonald (Egmont): A supplementary question, Mr. Speaker. In view of the importance of the question, can the minister say if there will be any reference to the government's anti-inflation program in connection with possible changes, and consultation with the Department of Regional Economic Expansion, the department which signed recently the second phase of the development program for Prince Edward Island?

Mr. Lang: Mr. Speaker, the question of development in the region is of great importance to the government. I assure the hon. member that changes in rates will come fully within the guidelines and the spirit of the anti-inflation program. We specifically reserved for provincial and federal governments the right to make policy changes and the degree to which the general taxpayer shall pay for services, as distinct from the user of those services. There is an inflationary impact, no matter whether one considers increased taxes or increased rates. That is a policy matter and, at present, we have decided in favour of some increase in rates.

* * *

EXTERNAL AFFAIRS

AGREEMENT WITH UNITED STATES ON COST-SHARING PROGRAM FOR ALASKA HIGHWAY

Mr. Erik Nielsen (Yukon): Mr. Speaker, my question is to the Secretary of State for External Affairs. I telephoned his office early this morning to give him notice of it. It is this: For some two or three years there have been discussions at the departmental or official level, between Canada and the United States, with respect to implementing a cost-sharing program for improving and paving the Alaska highway. Now that the United States has passed enabling legislation, will talks commence at the diplomatic level? If so, when may we expect some announcement about the implementation by the two countries of this program.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for giving me notice of his question and wish to tell him that most of the outstanding problems between Canada and the United States with respect to that highway have been worked out. Presently, we are conducting discussions with the government of British Columbia on the right of way and environmental aspects of the project. These discussions are not completed but will be completed shortly.

We have under consideration the terms of an agreement with the United States by which that country will undertake the funding of the construction of the highway and Canada will undertake its maintenance and administration.

Mr. Nielsen: A supplementary question, Mr. Speaker. I wonder if the agreement contemplated between Canada and the United States in this regard will displace the 1949 agreement, in which the government of Canada undertook those responsibilities, and others, in maintaining the highway as a defence road.

Mr. MacEachen: Mr. Speaker, I would conclude, myself, that this would be a superseding agreement. I will check, to see in what particulars it differs from the preceding agreement, and whether the preceding one will still be in effect.

* * *

CUSTOMS

DATE OF APPOINTMENT OF OFFICER AT RIVERPORT, NOVA SCOTIA

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Minister of National Revenue. Riverport, Nova Scotia, had in excess of 300 deepsea ships sailing from the port in 1975. Since the untimely passing last year of the resident customs official, the minister has been studying the amount of business emanating from this port, in order to determine the nature of the replacement required. I should like to know if these studies have been completed. If so, when can Nova Scotians expect the appointment of a full-time officer at Riverport, since the delay in the sailing of a large off-shore trawler for only one day would cause a loss to our national economy in excess of the wages paid for a year to one government official?

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, the decision is imminent.

Oral Questions

EXTERNAL AFFAIRS

CONSTRUCTION OF ALASKA HIGHWAY—PORTION FUNDED BY UNITED STATES

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, may I direct a supplementary question to the Secretary of State for External Affairs. Am I to understand from the minister's remarks that the United States government is funding the building of the highway in Canada?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, that is the construction of the Haines road, the Alaska highway.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, the matter is not clear in my mind. Is the actual area which is being financed by the United States government in Canada, or Alaska?

Mr. MacEachen: Mr. Speaker, I will have to look at my map. I would have to simply say that it is the section of the highway currently being built by the two countries under the terms of the agreement mentioned.

GUATEMALA—ALLEGATION EARTHQUAKE VICTIMS UNABLE TO USE POWDERED MILK—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is to the Secretary of State for External Affairs. As Dr. Grace Anderson, an industrial chemist at Wilfrid Laurier University in Cambridge-Waterloo has said that the majority of Guatemalans will not be able to digest the 100,000 pounds of powdered milk which Canada has sent as aid to Guatemala and that only the Spanish, who are basically the upper class in Guatemala, can digest milk, may I ask if the Secretary of State for External Affairs has investigated the veracity of that statement and, if so, can he report to the House?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, when the statement was made initially, I asked the chargé to investigate. He reported to me that the decision, or recommendation, to seek powdered milk for distribution in Guatemala was based on consultations with nutritional authorities in Guatemala. They recommended that powdered milk, in conjunction with other nutrients should be used in the diet. Since then I understand there have been demands form local areas. Orphanages, villages and other areas have asked for supplies of powdered milk. All the evidence suggests that the remarks made by the lady in question are misleading.

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CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO COVERAGE OF CONSERVATIVE LEADERSHIP CONVENTION

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, my question is for the Secretary of State. Is he now in the position to answer the question asked earlier regarding CBC radio coverage of the final day when voting will take place at the national Progressive Conservative party leadership convention?

[Mr. Cullen.]

● (1520)

Hon. James Hugh Faulkner (Secretary of State): Yes, Mr. Speaker. I am not sure that what they have agreed to meets the full approval of that party. However, I am told that radio programming will be moved forward to three from four, but facilities will be made available to allow that to be moved forward to one thirty, depending upon the progress of the ballotting. Full network television coverage will start at twelve o'clock.

Mr. Coates: Mr. Speaker, I think it is only fair to point out to the minister and the House that this is a major departure by CBC Radio with regard to the treatment of this party as compared with that of the New Democratic Party during their leadership convention and to the minister's own party when they selected the present Prime Minister. I think this is a shocking and shameful departure.

Mr. Speaker: Order, please.

Mr. Coates: On a question of privilege, Mr. Speaker. I would like to complete my question.

Mr. Speaker: Order, please. I will see the hon. member again in about seven minutes.

* * *

ADMINISTRATION OF JUSTICE

INQUIRY WHETHER VOTE ON CAPITAL PUNISHMENT MEASURE WILL BE CONSIDERED VOTE OF CONFIDENCE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I had hoped to direct this question to the Prime Minister. In light of the fact that other duties have called him out of the House and as the Solicitor General is also absent, I will direct it to the Acting Prime Minister. With reference to a free vote on capital punishment, the Solicitor General said that in light of the dangers to guards and correctional officers in the penitentiaries, and referring once again to New Westminster, he said, "There will be a government bill to which the government will be committed, but the members of this House who are not with the government will be free to vote on it as they see fit." That is with reference to the bill to abolish capital punishment. In light of the fact the cabinet will have to vote for the bill, does the Acting Prime Minister consider that this will be a vote of confidence in the government?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, if I understand the views of my colleagues, they will all support this bill voluntarily.

Mr. Woolliams: In light of the fact the Solicitor General said that the government members, meaning the cabinet, would be committed to voting for the bill and only those not in the cabinet would have a free vote, does the Acting Prime Minister now say that this is a vote of confidence in the government?

Mr. Sharp: As the Prime Minister said yesterday or the day before, Mr. Speaker, the whips are off of members on all sides of the House including the government. I am telling my hon. friend, however, I do not think there is any doubt about the position of members of the government who I believe will voluntarily support this bill.

* * *

INDIAN AFFAIRS

REQUEST FOR ASSISTANCE TO THOSE PRESENTING NATIVE LAND CLAIMS IN BRITISH COLUMBIA

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Since he has now left the chamber, I will direct it to his parliamentary secretary. If an answer is not available, I hope my question will be taken as notice. In view of the very short time remaining before the negotiations into the cutoff lands claims in British Columbia begin, has the minister given any consideration to appointing a coordinator to assist in providing information to those arguing the Indian claim, information that can only be obtained from the files and archives of the department?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the minister will be meeting next week with Mr. Williams, the British Columbia minister with responsibility for Indian affairs. I believe this is one of the items on their agenda.

* * *

FISHERIES

DAMAGE TO GEAR IN NOVA SCOTIA—ADEQUACY OF COMPENSATION

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I wish to direct my question to the Minister of State (Fisheries). In view of the fact that the equipment of several fishermen on the Bay of Fundy coast has been so damaged that without virtually full compensation they will be unable to finance a return to their livelihood, is the minister satisfied that the compensation under existing regulations will permit them to return to the profession of their choice?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, since the disaster formula has been in effect in relation to federal-provincial co-operation in cases of this type, it has applied to fishermen in other parts of the country. I think it has applied with some equity. I am certainly hopeful that these damages will be fully covered.

Mr. McCain: In view of the fact that the advertising on this subject indicates the regulations will only permit fishermen to be reimbursed on the depreciated value of their equipment, will the minister investigate and see if in his opinion in this inflationary period this is adequate so that these fishermen may return to their profession?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I am certainly willing to look into any suggestions of the hon. member. The fact is the formula is well known. It was adopted by the provinces and the federal government. As I said, it has worked for fishermen in other parts of the country in the past.

* * *

ENERGY

ALBERTA OIL SANDS—GOVERNMENT MEASURES TO ENSURE CONSTRUCTION OF EXTRACTION PLANTS

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Is he aware that plans to construct future plants in the Alberta oil sands are at a standstill or shelved indefinitely? Will he say whether the government really expects those plants to be built? If so, what does he intend to do to see that they are built as originally programmed?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, one of the most important things we can do is get on with the Syncrude project and prove its viability. I very much hope we will be able to conclude the lease arrangements in particular with the province of Alberta at a very early date.

* * *

FINANCE

ALLEGED INCREASE IN FUTURE OIL IMPORTS—EFFECT ON BALANCE OF PAYMENTS

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, I wish to direct my supplementary to the Minister of Finance. Is the minister aware that the situation is getting worse daily and it now appears that by 1985 some 60 per cent of Canada's oil will have to be imported, costing our country between $15 million and $20 million a day? What effect will this have on our balance of payments? Also, does the minister intend to take any initiatives or will he leave this until after the next election and let the new Conservative government solve the problem?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the last remarks of the hon. member put his question into the realm of fantasy.

* * *

FISHERIES

FREEDOM OF FISHERMEN IN LAKE WINNIPEG AREA TO SELL CATCH—GOVERNMENT POSITION

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I have a question for the Minister of State (Fisheries). It has to do with a matter that is critical to the whole area of inland fisheries and in particular to the Lake Winnipeg area. In view of the fact that the fishermen are locked in not only under a licencing system but also a quota system, is the minister having discussions with the province to allow these fishermen the option of selling outside the corporation area, similar to the Lake of the Woods area of Ontario?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I would certainly be happy to look into this matter with the hon. member. I remind him that as far as quota and licencing are concerned, the management of the inland fishery is under provincial responsibility.

* * *

MULTICULTURALISM

DATE OF ANNOUNCEMENT OF POLICY

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is to the Minister of Labour who is responsible for the multiculturalism policy in our country, something that seems to be evaporating before our eyes. Will the minister inform the House when he anticipates the cabinet will reach a decision on the direction of the multiculturalism policy in view of the fact that institution of this policy was once regarded as a priority by his government?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, as the hon. member may have noticed, at the conference last week I reaffirmed the government's commitment to this policy. I indicated that we may be putting more emphasis on two others, the first and second fundamental tenants of the policy which the Prime Minister announced. With regard to other changes in the policy, the government will be giving consideration to those. If in due course any changes in the overall context of the policy are made by the government, that will be announced in the House.

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FOREIGN INVESTMENT

TAKEOVER OF CHECKERBOARD FOODS BY SWIFT CANADIAN—REQUEST FOR REPORT

Mr. Bruce Halliday (Oxford): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. In view of the conflicting and apparently premature reports appearing in the national press and emanating from the minister's department concerning the long awaited decision on the proposed takeover of Checkerboard Foods by Swift Canadian Company Limited, will the minister clarify the present status of this application?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, the decision is that in so far as the Foreign Investment Review Agency is concerned, and those matters which come within its jurisdiction, there is no impediment to allowing this particular transaction to take place. There is, however, a question relating to a potential offence against the Combines Act—I suppose one might describe it as that—and this is now being considered by the Department of Consumer and Corporate Affairs. As far as the Foreign Investment Review Agency is concerned, they have met the necessary criteria in that regard.

[Mr. Whiteway.]

• (1530)

MULTICULTURALISM

CONFIDENCE OF CABINET IN POLICY

Mr. Steven E. Paproski (Edmonton Centre): My supplementary question is directed to the minister responsible for multiculturalism. Will he explain the apparent reluctance of the cabinet to discuss the shift in emphasis within the multicultural program with any degree of urgency? Does the hon. gentleman feel that this indecisiveness indicates a lack of confidence on the part of the cabinet in this policy direction?

Hon. John C. Munro (Minister of Labour): No, Mr. Speaker. I have detected a high degree of enthusiasm among my colleagues, as well as those on the backbenches for this over-all policy.

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REGIONAL ECONOMIC EXPANSION

DATE OF DECISION ON AID TO NEW BRUNSWICK IN CONTROLLING SPRUCE BUDWORM

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Has the minister received any request to assist in controlling the spruce budworm infestation of New Brunswick forests which is now reaching critical proportions? Has he made a decision on the matter and, if not, when may we expect one?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, when the officials from my department discussed this problem with the government of New Brunswick several months ago, it was agreed then that my department would not participate in the fight against this infestation because there were other provisions in this regard. We know what happened since then and representations were made at the federal level. There were also consultations between my colleague of the Department of the Environment and myself and they are still going on; but we have not yet reached a decision. We still have to wait before it is made public. I cannot say specifically what steps the federal government will take in this case.

[*English*]

POSSIBLE USE OF UNSPENT FUNDS TO AID NEW BRUNSWICK IN CONTROLLING SPRUCE BUDWORM

Mr. R. Gordon L. Fairweather (Fundy-Royal): Does the minister not think it would be a good idea to use the funds allocated but not spent in connection with the regional economic expansion program amounting, in the case of New Brunswick, to some $10 million, for this purpose?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I do not know exactly what is the allocated but unspent amount to which the hon. member referred. It is possible that funds allocated for an

ongoing program have not been spent yet. But if this were to happen before the end of the fiscal year, then both levels of government would have to make a decision. However, we must establish priorities and consider the positive effects of such a decision and money transfer from one project to another.

* * *

[*English*]

NATIONAL PARKS

INQUIRY WHETHER MINISTER HAS RECOMMENDED SENIOR CITIZENS BE GRANTED FREE ADMISSION

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, since the Minister of Indian Affairs and Northern Development has had to leave the chamber, I will direct my question to his parliamentary secretary. In answer to my question in the House yesterday requesting free admission for pensioners to all national parks, I received the same negative answer as I received in 1973 and 1975. Will the parliamentary secretary inform me whether or not the minister has recommended this proposal to cabinet?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): No, Mr. Speaker.

* * *

[*Translation*]

HEALTH

INQUIRY AS TO REGULATIONS CONTROLLING SALE AND IMPORTATION OF BLOOD

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I would like to elaborate on a reply that I previously gave the hon. member for Témiscamingue concerning the importation of blood products. I told him that we had no control over products purely and simply in transit through Canada, and this is true. As for importation of blood products for Canadian consumption, there are controls indeed. We are now considering the possibility of additional controls over blood products imported into Canada but destined to be processed and exported to foreign markets.

[*English*]

Mr. Coates: Mr. Speaker, I rise on a question of privilege. I shall try to restrain my anger to an extent—

Some hon. Members: Oh, oh!

Mr. Coates: This is a matter which affects all members of the House and it is a very serious one. The Secretary of State reports to this House for the Canadian Broadcasting Corporation and he passes on to the Corporation the feelings of members of parliament with regard to matter affecting the Corporation. I realize he cannot tell the Corporation what to do and I appreciate the concern he showed when I asked my previous question in the House by coming over and discussing the matter with me; he indicated at the time that he wanted to see this matter worked out satisfactorily for our party, and I appreciate that very much, as do all hon. members in this party.

Some hon. Members: Hear, hear!

Mr. Coates: A corporation which gets approximately one million dollars a day of taxpayers money should have some feeling for people in this country who do not have the benefit of television and so could not view programs even if they wished to do so. I might name but one example, Sable Island in Nova Scotia. But I am sure that people in such areas have the same right to hear the Progressive Conservative convention from beginning to end as anyone who is able to buy, and use, a television set in this country.

I believe the Corporation should give consideration to the many thousands, even millions, of people in this country who do not have access to television.

Some hon. Members: Hear, hear!

Mr. Coates: An officer of the Corporation phoned me and suggested to me that they were not broadcasting the whole of the convention because of traditional programming. This is the first time I have ever heard that the CBC is interested in tradition in this country, and that is certainly a step forward. I believe the Secretary of State should go back to the Corporation to ensure that the proceedings of the convention are broadcast from one o'clock onward, the same as television, so that radio listeners in this country can hear it all.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I was so moved by the question of privilege raised by my hon. friend that I had almost forgotten my duty today. I should like to ask the government House leader what will be the business for next week. This week has already been disposed of.

Mr. Sharp: Today we shall be continuing the debate on third reading of Bill C-58. As the House knows, we shall not be sitting this evening or tomorrow consequent upon the order which was approved. I am hoping we can dispose of the third reading of Bill C-58 simply because I do not wish to bring another order before the House to make up for the time we are losing. In any event, if we were to conclude the debate on Bill C-58 today I would hope the votes could be deferred until next week, either Monday or Tuesday. I just say this in case it might encourage hon. members to conclude the debate on this item.

After Bill C-58 is disposed of we shall return to the discussion of Bill C-68. On Tuesday we plan to give first reading to two bills to amend the criminal law, one dealing with capital punishment and the second with other crimes of violence, gun laws and so on. I should like to have the opportunity of discussing them with the House leaders to ascertain what length of time should be allowed to pass before we begin to debate these measures on second reading. I think a reasonable number of days should elapse so

that at least one of these bills can be examined carefully before the debate takes place.

Mr. Knowles (Winnipeg North Centre): Yesterday, the Minister of Veterans Affairs informed us he was hopeful that consultation regarding the legislation affecting prisoners of war would be completed today. May I ask the government House leader whether this hope has been fulfilled, and whether a bill implementing the recommendations of the seventh report of the Standing Committee on Veterans Affairs having to do with ex-prisoners of war will be introduced shortly?

● (1540)

Mr. Sharp: Mr. Speaker, we had the item on the agenda today, but cabinet did not reach it; nor did we reach a number of other items. It is intended that cabinet will resume again tomorrow morning, at which time I hope a decision will be reached.

Mr. Knowles (Winnipeg North Centre): May I just say that the Conservative convention will be completely worthwhile if our not sitting means that the cabinet can meet tomorrow and settle this important issue.

Mr. Korchinski: Mr. Speaker, I rise on a point of order. Two weeks ago I placed a starred question on the order paper. When a member places a starred question on the order paper, it is customary in the House to make an attempt to provide an answer within a week. I have been patiently waiting for two weeks now, and with the House not sitting tomorrow it is possible that I will have to wait three weeks. Not only is this a precedent-setting period of time, but the minister is continually feeding this country with information that he wants the country to hear. I should like answers to questions that I should like the country to hear.

* * *

ENERGY

TABLING OF REPORTS, "RADIOACTIVE WASTE LOCATIONS IN CANADA" AND "PROGRESS REPORT ON RADIOACTIVE WASTE INVESTIGATION IN PORT HOPE"

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, in accordance with Standing Order 41(2) I am pleased to table two copies, in both official languages, of the following documents: firstly, "Radioactive Waste Locations in Canada, February 19, 1976"; and secondly, "Progress Report on Radioactive Waste Investigation in Port Hope, Ontario, February 19, 1976". Annexed to this report are the Atomic Energy Control Board staff memoranda of July 6 and 16, 1975.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[Mr. Sharp.]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,682, 3,727, 3,861, 3,896, 3,897, 3,918, 3,920, 3,929, 3,930, 3,937, 3,943, 3,953 and 3,970.

The remaining questions stand.

[*Text*]

EGGS—NEW BRUNSWICK QUOTAS FOR PRODUCTION AND MARKETING

Question No. 3,682—**Mr. Jones:**

1. What policies and procedures are established for setting quotas for production and marketing of eggs in New Brunswick?

2. Did a number of large supermarkets in Moncton, New Brunswick, run out of egg supplies on Saturday, November 29, 1975 and, if so, for what reason?

3. What organization is responsible for the setting of quotas for production and marketing of eggs in New Brunswick?

4. Have steps been taken to study and keep egg prices in line and, if so (a) what are they (b) by whom?

5. Are the prices of eggs much lower in the United States than in Canada and, if so, for what reason?

6. What steps are necessary to increase the quotas of eggs produced in New Brunswick, particularly in light of the requirements and demands of consumers?

7. Are any such steps being taken and, if not, on what date will such steps be taken?

Hon. E. F. Whelan (Minister of Agriculture): 1. As required by the Farm Products Marketing Agencies Act (Section 24), New Brunswick was given the percentage share of the Canadian market it had on average in the five years preceding the effective date of the marketing plan. In 1975 the overall production quota was reduced by 10 per cent except in those provinces with less than 2 percent of the Canadian global quota—New Brunswick quota was accordingly not reduced.

2. The pre-Christmas demand for eggs was particularly heavy in 1975 and this unexpected demand created temporary shortages of eggs in some localities. Quick action by the local Egg Boards and the Canadian Egg Marketing Agency (CEMA) was able to replenish supplies from areas of surplus stocks.

3. Original quota established as No. 1 above. The New Brunswick Egg Marketing Board allocated this quota among their producers based on producers' size of operation.

4. Yes, steps have been taken to study and keep egg prices in line. (a) A provincial model of the farm-gate cost of egg production for the medium size producers was established by an independent management consultant firm in Canada. This formula is used in calculating the monthly provincial cost of egg production by the Canadian Egg Marketing Agency. The formula was accepted by the National Farm Products Marketing Council and tabled in the House of Commons by the Minister of Agriculture on July 22, 1975. Public hearings will be held shortly on this formula by the National Farm Products Marketing Council. (b) The Canadian Egg Marketing Agency calculates the average cost of production in accordance with the formula. The National Farm Products Marketing Council conducts an independent examination of these costs. Wherever possible, the cost components are obtained from Statistics Canada, the Canada Livestock Feed Board and/or

other independent sources. The Anti-Inflation Board is in place to monitor processor and retail prices.

5. The U.S. egg industry, without controls, continues to operate through boom and bust cycles. Generally, the U.S. industry enjoys lower feed and labour costs and lower investments, e.g., housing costs. Prices in the U.S. rose in November and December from the 55 cents per dozen level of October (N.Y. wholesale Grade A) to a pre-Christmas high of 73 cents per dozen. The comparative pre-Christmas Toronto price was 76 cents per dozen. These levels of prices exist in mid-January. At consumer level, the mid-January prices in New York and Toronto are respectively 99-105 and 92-94 cents per dozen.

6. Section 24 of the Farm Products Marketing Agencies Act sets out the criteria to be followed to increase quotas within a province. In essence, this states that in allocating additional quotas the marketing agency shall consider the principle of comparative advantage of production. Furthermore, within the Comprehensive Egg Plan, certain criteria are set out regarding allocating additional quota. These include: (a) The principle of comparative advantage of production. (b) Any variation in the size of the market of eggs. (c) Comparative transportation costs to market areas from alternate sources of production. (d) Any shortage in production in respect of any given provincial quota be evaluated. (e) The possibility in any given province of increasing the production available to be marketed.

7. In February 1975, the marketing agency reduced the quota by 10% for all those provinces whose quota was more than 2% of the global quota. This reduction did not affect the provinces of New Brunswick, Prince Edward Island and Newfoundland. Steps are continuously being taken to ascertain that each part of Canada is adequately supplied with high quality fresh eggs to the consumers.

AMOUNT SPENT BY GOVERNMENT TO PUBLICIZE CONTROL PROGRAMMES

Question No. 3,727—**Mr. Beatty:**

1. What is the total amount the government is expecting to pay to publicize its controls programme and to urge the Canadian taxpayer to show restraint?

2. What are the component parts of the total?

3. What is the commission or any other fee paid to Vickers and Benson advertising agency for such services?

4. Were any officials of Vickers and Benson informed of the thrust of the government's anti-inflation policy and, if so, on what date?

Hon. Mitchell Sharp (President of the Privy Council): 1. One million dollars for information is included in the Supplementary Estimate A of 1975-76 for the Anti-Inflation Board. The provision for 1976-77 will be included in the Main Estimate for that year.

2. $100,000 for training seminars; $300,000 for newspaper advertisements; $600,000 for printing re introductory documents including Highlights, the White Paper "Attack on Inflation", the Regulations, various technical bulletins, training and information kits.

3. Nil.

4. On October 11th, officials of Vickers and Benson were consulted on a confidential basis concerning technical matters related to the possible preparation of public service advertising messages to be inserted in newspapers concurrent with the announcement of the policy. This plan was not proceeded with.

AIRPORT SECURITY

Question No. 3,861—**Mr. Beatty:**

1. By airport, for each year since weapons detection equipment was installed in Canadian airports, how many people have been (a) refused permission to board aircraft (b) forced to surrender concealed weapons before boarding?

2. In how many instances (a) have charges against individuals carrying concealed weapons been laid (b) what were such charges (c) how many convictions were ultimately registered?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): 1. (a)

Year	Airport	Number
1972	Vancouver	4
	Toronto	1
	Kelowna	1
1973	Vancouver	2
	Calgary	1
	Fort St. John	1
	Winnipeg	1
	Montreal	1
1974	Vancouver	2
	Sandspit	1
	Watson Lake	1
	Edmonton Industrial	1
	Winnipeg	2
	Toronto	2
	Montreal	2
1975	Prince George	1
	Winnipeg	1
	The Pas	2
	Ottawa	1
	Sydney	1
	Gander	2
	St. John's	2
	Total	33

(b) Airport	1974	1975
Montreal	2,012	1,245
Toronto	1,482	2,756
Winnipeg	1,011	2,136
Vancouver	9,032	4,350
Ottawa	657	542
Halifax	145	326
Edmonton	412	638
Calgary	644	2,854
Gander	130	239
St. John's	264	288
Moncton	287	390
Saint John	164	180
Sydney	652	98
Fredericton	71	104
Goose Bay	37	393
Quebec	198	183
Sept Iles	124	621
Mont Joli	16	34
Windsor	47	277
London	28	132
Sault Ste Marie	28	76
North Bay	68	49

(b) Airport	1974	1975
Regina	338	375
Saskatoon	64	391
Thunder Bay	500	445
Whitehorse	3	13
Penticton	78	164
Victoria	297	478
Prince George	102	312
Totals	17,878	20,089

2. The following information was provided to Transport Canada by the R.C.M.P. (a) Eleven. (b) Three charges Section 85 Criminal Code. Two charges Section 76.3 via 421 C.C. Two charges Section 83 C.C. One charge Section 85 C.C. One charge Section 91 C.C. One charge Section 93 C.C. One charge Section 89 C.C. (c) Eight.

INVESTIGATION OF NEAR MISSES OF AIRCRAFT

Question No. 3,896—**Mr. Beatty:**

1. For 1974-75, in how many instances did a commercial aircraft pass another aircraft in the air with fewer than 500 feet between them?

2. In each case (a) what were the aircraft in question, including their origin and destination (b) on what date and at what time did the incident occur (c) was an investigation conducted and, if so, what were its results?

3. Is it required that an investigation take place where near misses of aircraft occur and, if so, what is the procedure followed?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): 1. Transport Canada does not have a category which indicates that aircraft passed one another with fewer than 500 feet between them. In most cases, in view of the speed of closure, it is difficult for pilots to accurately judge the distance in passing. Transport Canada speak of "Air Traffic Services Irregularities" or "Losses of Separation" and they fall into two categories: critical and technical. A technical case is one where a loss of separation was reported but no avoiding action was considered necessary by pilots or controllers, but a report was filed. The critical case could involve a loss of separation where one or both pilots in command took avoiding action, or there was no time to take such action, but the pilots concerned would have instinctively taken such action had there been time. In response to the question the number of critical losses of separation in airspace controlled by Transport Canada during 1974-1975 were six.

2. (a) CF FUS PA 28 Local Flight Edmonton Time Air 37, DHC6, Edmonton Municipal to Edmonton International (b) March 20, 1974, 2015Z. (a) KLM 644, B747, New York to Amsterdam Capital 4902C, DC8, Shannon to New York. (b) October 8, 1974, 0350Z. (a) Pacific Western 415, B737, Vancouver to Port Hardy Air Canada 283, DC 9 Edmonton to Vancouver. (b) November 3, 1974, 1918Z. (a) CF VPK, Aztec Rochester to Toronto Eastern 308, B727 Pittsburg to Toronto. (b) June 11, 1975, 2051Z. (a) Air Canada 290, DC9 Edmonton to Saskatoon Viking 11, Tutor, Local flight at Saskatoon. (b) August 6, 1975, 1529Z. (a) CF HGL, DC3, Moncton to Sydney N7242R, BE35 Sydney to Halifax. (b) August 8, 1975, 1400Z. (c) Following each of the above incidents, the circumstances were thoroughly investigated by an Air Traffic Services Fact Finding Board, and appropriate recommendations were actioned, designed to prevent reoccurrence.

[Mr. Goodale.]

3. All losses of separation are investigated by a Fact Finding Board, consisting of controller operations analysts from another unit and aviation safety officers. Findings and recommendations are made directly to the Director, Air Traffic Services and the Director General Civil Aeronautics whose offices ensure that appropriate corrective action is taken.

GOVERNMENT CONSIDERATION OF POLICY ON PRIME AGRICULTURAL LAND

Question No. 3,897—**Mr. Fairweather:**

Will the government consider as a policy that prime agricultural land be officially designated for agricultural use and that such policy govern the use of land for any proposal falling within the jurisdiction of the government?

Hon. E. F. Whelan (Minister of Agriculture): The government is considering all facets of the Canadian land use issue. The development of policies to conserve prime agricultural land is an important aspect of this issue. The government has initiated negotiations with the provinces and established an interdepartmental task force with the objective of developing mutually acceptable national land use policies. The question of designating prime agricultural land for agricultural use will certainly be considered during this process.

CAR RENTAL SERVICES AT MOT AIRPORTS

Question No. 3,918—**Mr. Marshall:**

As a result of the announcement by the Department of Transport on a new open access policy for the licensing of car rental services at MOT airports, what car rental agencies were contacted for comment and consultation and which ones replied?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Following the announcement of the new car rental policy at airports, copies of the policy were given wide circulation through MOT regional offices and a press release was issued informing interested parties as to where to obtain copies of the policy. A public briefing was held in Ottawa on January 14 and similar briefings are being held across Canada during the period February 2-17. These meetings were extensively advertised in all regions through daily and weekly newspapers. Throughout, members of parliament and senators have received all information concerning the consultation process. The larger companies have expressed their views both orally and in writing. It is expected that many of the independent operator franchises will make their views known during the meetings.

FORCED LANDING IN CUBA

Question No. 3,920—**Mr. Cossitt:**

1. Is the Department of External Affairs aware of the fact that Canadians, Robert Carter, Greg Sieling, Allan Parfett and Leo Cossetto, had made of necessity a forced landing by air in Cuba on December 30, 1975 and, if so, on what date and in what manner did the Department receive such information?

2. Did Cuban authorities advise the Canadian Embassy in Havana of the incident and, if so, on what date and at what time?

3. Did the Canadian Embassy in Havana communicate such information to the Department in Ottawa and, if so, on what date and at what time?

4. If the Canadian Embassy did not communicate any information to the Department prior to the departure of the Canadians on December 31, 1975, what are the reasons for failing to do so?

5. Were the Canadians subjected to extensive interrogation by groups of Russians and, if so, has the Department requested an explanation from the Government of Cuba, and on what date was such a request made?

6. If no request was made (a) for what reason (b) will one be made?

7. Is it the policy of the government to allow without protest Canadian citizens to be interrogated by agents of the Soviet Union when they are in a country maintaining diplomatic relations with Canada that is not part of the territory of the Soviet Union and, if so, for what reason?

8. Will this entire matter be taken up by the Prime Minister with his counterpart, Prime Minister Fidel Castro, during his visit to Cuba and (a) if not, for what reason (b) if so, will the Prime Minister make public the result of such discussions?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. Yes. The Department was notified by phone and telex late on December 30, shortly after the forced landing had occurred, by the Canadian Embassy in Washington and by the High Commission in Kingston, Jamaica. These missions had received the information from the civil aviation authorities at Miami and the Bahamas.

2. No. The Canadian Embassy in Havana received information from the same sources and at about the same time as the Department and immediately contacted the Cuban Ministry of Foreign Affairs to confirm the safe landing of the aircraft, to facilitate its earliest departure and arrange direct communication with the Canadians. The Cuban authorities confirmed the safe emergency landing and assured the Embassy that the Canadians and the aircraft would be allowed to depart. Efforts to make direct telephone contact with the Canadian pilot and passengers were unsuccessful.

3. The Department and the Embassy both received the information at about the same time on December 30 and were in constant communication from that time onward about the case.

4. The Canadian Embassy did communicate fully with the Department about this case prior to the departure of the Canadians on December 31, 1975.

5. According to the pilot, the Canadians were interrogated by Cuban and Soviet personnel. The Department has not requested an explanation on this particular point from the Government of Cuba.

6. (a) It is within the competence of the Cuban Government to designate whomsoever it wishes to assist in security precautions on Cuban territory. (b) No.

7. Answered in 6(a).

8. This matter was not raised by the Prime Minister with Prime Minister Fidel Castro during his visit to Cuba. The Canadian Embassy had already intervened with Cuban authorities to obtain release of the Canadian citizens and the aircraft involved.

Order Paper Questions

CBC PROGRAMME "AS IT HAPPENS"

Question No. 3,929—**Mr. Cossitt:**

During the past two years, what (a) Liberal Party (b) Progressive Conservative Party (c) New Democratic Party (d) Social Credit Party Members of Parliament have been interviewed on CBC radio programme "As It Happens" and, in each case (i) on what date (ii) on what subjects?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: For the period in question there have been more than 500 "As It Happens" programmes. Each was one and a half hours long, and it would take an inordinate amount of time, work and expense to provide the requested information.

COURT COSTS PAID OR PAYABLE TO P.P.G. INDUSTRIES CANADA, PILKINGTON BROTHERS LTD. AND W.W. BUCHANAN

Question No. 3,930—**Mr. Woolliams:**

With respect to the order of the Supreme Court of Canada in PPG Industries Canada Ltd. and Pilkington Brothers (Canada) Limited *v.* the Attorney General of Canada that the appellants should have their costs throughout against the Attorney General of Canada and that the award of costs by the Federal Court of Appeal to W.W. Buchanan should stand, what is the amount of such costs, paid or payable, to (a) the appellants (b) W.W. Buchanan?

Hon. Ron Basford (Minister of Justice): The costs in question have not yet been taxed by the Court. It is therefore impossible to give at this time the amount of costs allowed to either the appellants or to W.W. Buchanan.

REVENUE OF FRASER RIVER HARBOUR COMMISSION

Question No. 3,937—**Mr. Friesen:**

1. (a) What was the total revenue of the Fraser River Harbour Commission in (i) 1974 (ii) 1975 (b) what percentage came from (i) port facilities (ii) rental of fore-shore lots?

2. (a) How many ships have been unloaded by the new container cranes owned by the Commission since their purchase (b) how many containers does this involve?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): 1. (a) (i) 1974, $2,856,913; (ii) 1975, $3,011,130. (b) (i) 1974, 83.4 per cent; 1975, 82.3 per cent; (ii) 1974, 16.6 per cent; 1975, 17.7 per cent.

2. (a) 14. (b) 1264 Units, 95 Containers, 17 Houses. Total, 1,376.

CBC BUILDING, YELLOWKNIFE

Question No. 3,943—**Mr. Johnston:**

1. What is the proposed cost of the new CBC building in Yellowknife?

2. What will be the cost per square foot of available floor space?

3. What proportion of the building material expense will be for material imported from outside the Northwest Territories?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. Tendered cost is $2,156,800.

2. $87.27.

3. Approximately 85 to 90 percent.

Order Paper Questions

EXPORT PERMIT ISSUED TO ZAIRE FOR BUFFALO AIRCRAFT

Question No. 3,953—**Mr. Fairweather:**

1. Does Zaire hold an export permit for Buffalo aircraft?

2. Is Zaire in default in any loan agreements with the Export Development Corporation?

3. Are export permits being withheld from (a) Zaire (b) other countries and, if so, on what basis?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce and the Export Development Corporation are concerned: 1. On August 25, 1975 a permit to export Buffalo Aircraft to Zaire was issued to a Canadian company. This permit was suspended on January 23, 1976.

2. EDC does not publish particulars of the status of its loans. It is in relation to the borrower and in a sense to the exporter, in a confidential banker's role. Publication may embarrass both parties as well as EDC, and is not in the interest of Canada's trade. If EDC experiences losses, it is of course its responsibility to report those losses to Parliament. An International Monetary Fund study of Zaire is currently taking place.

3. It is presumed that this question refers to Buffalo Aircraft. As indicated in reply (1) the export permit to Zaire has been suspended. There are no other export permits for Buffalo Aircraft to any destination that are currently under suspension.

MEDICAL INFORMATION RELATING TO PERSONS HOLDING FOREIGN AND CANADIAN PILOT LICENCES

Question No. 3,970—**Mr. Nielsen:**

1. Under what condition does the civil aviation personnel licensing section of the Department of Transport forward medical information that pertains to a Canadian citizen who holds both Canadian and foreign pilot licenses to a foreign government department?

2. Is a Canadian citizen notified when a Canadian government department divulges medical history information to a foreign government department?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): 1. Transport Canada does not as a matter of policy, forward medical information to a foreign government department without the authorization of the licence holder or applicant. However, a statement of medical fitness is provided on occasion to assist a licence holder in obtaining a licence in another state.

2. Transport Canada does not divulge medical history information to a foreign government department, without the authorization and formal release by the licence holder or applicant concerned.

[*English*]

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, I rise on a point of order in order to correct an answer that I gave the hon. member for Parry Sound-Muskoka when answering his question about vacancy rates. I think I said "common knowledge". I meant that the common objective of all those concerned is to reach the goal of a 4 to 5 per cent vacancy rate.

[Miss Campbell (South Western Nova).]

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISIONS ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed, from Wednesday, February 18, consideration of the motion of Mr. Faulkner for the third reading of Bill C-58, to amend the Income Tax Act.

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, it is just over a year now since Bill C-58 was introduced into the House. I am sure many government members would like to be quick to accuse the opposition of delaying passage of the bill, but before they do so I should like to point out to them that it is the government itself that has been very slow in taking action on the bill. The bill was first introduced, I believe, in January, 1975. We did not see it again until June or July when it was before the House for a short time. Then we did not see it again until December. So lest some government members want to point an accusing finger at the opposition for being slow to adopt this measure, I would suggest politely to them that obviously there are members within the cabinet who are not very anxious to see the bill passed. Otherwise it would have received a much better priority rating within the legislative calendar of the government. Perhaps the opposition is doing some members of the cabinet and some members of the government a favour in continuing to press the government for further explanations concerning the weaknesses of the bill.

When the bill was first presented to parliament I had at least a mild, if not more than mild, interest in it. I am always interested in legislation that has a reasonable and wholesome approach to the repatriation of industry to Canada. I believe the provision in the bill calling for 75 per cent ownership within the year is a little precipitous and does work somewhat of a hardship on the companies concerned. However, obviously this is something we can live with. The companies have already agreed to it, so therefore we can accept it.

When we began second reading, some of the glaring weaknesses of the legislation quickly came to the surface. I realize that not only could I not support the legislation, but that I had vigorously to oppose it. As we began to debate the bill, the government became impatient with the progress we made and invoked closure. At that time it was obvious that the government did not appreciate too close a scrutiny of the legislation, so they invoked closure and moved the bill into committee.

One of the things that was striking, even to the casual observer, at that stage was the changes made in the personnel of the committee. Some of the regulars were no longer there even though they had had a perfect or near perfect attendance in the Committee. They were strangely missing from the committee; and that in itself was disturbing. To find that the government used its majority to adopt a modified version of the guillotine in committee was equally, if not more, disturbing.

Whereas the caucus chairmen were allowed ten minutes for their opening remarks and questions, each succeeding member of the committee was allowed but five minutes to examine a witness. I suggest that five minutes is an inadequate amount of time to do any thorough investigation of what the legislation is all about. It seems to me that if the government is serious about bringing forward good legislation, it ought to be interested enough in the process of the committee proceedings to make sure that legislation comes out of the committee in the very best form it could possibly take. If that is to be the case, there must be wholesome discussion and give-and-take in the committee. I also recall that the committee stage enjoyed obvious public and media interest. This was one of the few occasions in the history of the committees that there has been standing room only in a committee. Most of those who attended were members of the media and obviously they knew that their livelihoods were being threatened by this legislation.

I also recall that the members of the committee were honestly trying to grapple—I was going to say "wrestle" but I think that is an overused and misused word in this House—with the terms of the bill. We were having a difficult time because although the bill is a tax measure, the operative part of the bill, the critical feature of it—

Mr. Guay (St. Boniface): I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: Order, please. The hon. member for St. Boniface (Mr. Guay) is rising on a point of order.

Mr. Guay (St. Boniface): I should like to ask the hon. member a question, but if not a question I should like to raise a point of order.

Mr. Deputy Speaker: A question is not a point of order, but since the hon. member has interrupted, would the hon. member for Surrey-White Rock (Mr. Friesen) give consent?

● (1550)

Mr. Friesen: I would gladly permit a question, but I would prefer it at the end of my speech, Mr. Speaker.

Mr. Deputy Speaker: Order, please. It is the prerogative of the hon. member who has the floor to decide whether or not he will entertain a question. The hon. member cannot ask his question unless he has that consent. So unless the hon. member has a real point of order—

Mr. Guay (St. Boniface): Mr. Speaker, I believe I do have a point of order. The fact is that the members of the committee could always request a witness to come back a second, or even a third time if necessary. Members did have such an opportunity. There were numerous members of the committee, and five minutes were allocated to each of them for questioning of the witnesses. The fact remains that they could have been asked to return on a subsequent or on a third occasion.

Mr. Deputy Speaker: Order, please. I think the hon. member is now getting into a matter of debate. After the hon. member who has the floor has completed his remarks, the hon. member can then stand and the Chair will recognize him if he wishes to make a speech.

Non-Canadian Publications

Mr. Friesen: Mr. Speaker, obviously the chief government whip is a little sensitive about how he conducted the affairs of that committee.

Mr. Guay (St. Boniface): You don't seem to know how it was conducted.

Mr. Friesen: The whip will know for certain, if he examines the records of that committee, that the only witness who was permitted to come back a second time was the Secretary of State (Mr. Faulkner). We would gladly have entertained the president of *Reader's Digest* on a return visit but, again, the government used its majority on that committee to forestall that kind of move. The government whip ought to know better than make the kind of suggestion he has just made in the House.

Mr. Guay (St. Boniface): It is a real and an honest one.

An hon. Member: That is a powerful word, Joe, so be careful.

Mr. Friesen: Before I was interrupted by that "Guay" statement we were discussing a theoretical tax measure, but the operative measures are outside the confines of the bill, and how does one deal with a bill when the most effective parts are not among its clauses? Nevertheless, that became the dominant area of discussion in the committee and in the House concerning the 80 per cent content rule brought down, not by the Secretary of State but by the Minister of National Revenue (Mr. Cullen), and the implied, if not direct, censorship it invokes on the press. The Secretary of State, who appeared several times before the Committee, repeatedly took an adamant posture on the 80 per cent content rule. There was absolutely no conciliation on this point and his position remained totally firm. The 80 per cent different was the rule for all foreign-owned periodicals, including *Reader's Digest*.

It was suggested to the Secretary of State and others that *Reader's Digest*, because of the nature of that publication, could no longer function in Canada under that kind of rule. The Secretary of State seemed to think that was rubbish. We questioned him on that and we questioned representatives of Maclean-Hunter on the point. They testified that they had meetings with members of the staff of the Minister of National Revenue, at which time they said they would like to have a 100 per cent rule but could live with the 80 per cent rule. They stated they could not live with a less than 80 per cent content rule.

The 80 per cent rule referred to those articles issuing from a source of continuing relationship with another country and those articles would have to be re-edited within Canada. Those were the terms, and that is what the Secretary of State continuously reaffirmed before the committee and, again, repeatedly in the House. He made it very clear, as did members of the staff of the National Revenue Department, that re-editing was not simply changing prepositions, synonyms, but meant substantial re-editing of the material. Then departmental officials appeared before the committee and we wrestled with them as to how this particular rule was to be measured in respect of each of the articles.

The important fact that I want to bring before members of this House is that there was absolutely no turning from

this position in the mind or in the statements of the Secretary of State. He was totally adamant on this point. Then the first week in February, *presto changeo,* there was an about-face in that position of the Liberal party. Previously, the 80 per cent rule also applied to *Reader's Digest,* and now, all of a sudden, it did not. Those articles which had been digested in précis form from a foreign source no longer had to undergo revision when they came into Canada.

Mr. Faulkner: Of course they do. You are confused.

Mr. Friesen: The Minister of National Revenue stated in the House, in unequivocal terms, that a publication like *Reader's Digest* could not function in Canada under what was commonly called the Cullen rule as outlined in October. He said in the House that the Cullen rule would make an operation like *Reader's Digest* defunct. It is noteworthy that the legislation again was brought forward by the Secretary of State, but the rule and the change in the rule were brought forward by the Minister of National Revenue.

The question is, how did this come about? What happened between the time the committee hearings ended in mid-December and the first week in February which brought about this absolute and total reversal in position? Something happened in the back rooms of the caucus, or the Department of National Revenue. Somebody visited the Minister of National Revenue and gave him a sudden flash of inspiration or insight which made him concede he was being unfair to a publication like *Reader's Digest.* The question that lies before us in this House is, what went on in the recesses of the chambers of the Minister of National Revenue? What kind of deal was made between the minister and officers of this one publication? What is it that made him change his mind? The minister said in this House that under the earlier version of the Cullen rule *Reader's Digest* could not operate. Now we see the 80 per cent different rule in respect of those materials from sources of continuing arrangement suddenly changed so that *Reader's Digest* qualifies.

In view of the fact that representatives of Maclean-Hunter insisted in October it needed the 80 per cent content rule in order to function, it would be worth while to ask what Maclean-Hunter is going to do now that *Reader's Digest* will be able to function in Canada. What is going to happen to that poor, distraught, undernourished company? What will happen to that tender flower, as it has been referred to in this House? Is it not going to be able to function now that the 80 per cent rule has been changed?

Members of this House, and members of the committee particularly, have a right to know what went on during the negotiations between the board of directors, or the president of *Reader's Digest,* and the Minister of National Revenue. The parliamentary committee, whose function it was to discern and ascertain what the best solution was in respect of legislation like this, was bypassed, overlooked and ignored regarding those negotiations. It was not advised until the day the press release was issued, and I believe the standing committee has the right to know what went on. Indeed the minister has an obligation to tell the standing committee what went on. It is a responsibility of that minister to deal fairly, honestly and openly with the members of the standing committee so that they may be apprised of the negotiations which went on.

● (1600)

The overriding question which stands before the House today is do we now have the best possible legislation in the form of Bill C-58 as it is presently before us? Obviously if there have been negotiations in the back rooms it is not the best possible legislation. So, Mr. Speaker, I would move, seconded by the hon. member for Fundy-Royal (Mr. Fairweather):

That Bill C-58 be referred back to the Standing Committee on Broadcasting, Films and Assistance to the Arts to enable the committee to hear evidence about arrangements made after the committee reported Bill C-58 to the House which will enable the *Reader's Digest* to qualify as a Canadian periodical.

Mr. Deputy Speaker: I must bring to the attention of the hon. member that his motion was meant to be seconded by the hon. member for Fundy-Royal (Mr. Fairweather) who is not in the House at the present time. Perhaps the hon. member for Victoria (Mr. McKinnon) would second the motion.

Mr. McKinnon: Yes, Mr. Speaker.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I am sure most if not all members feel as I do about Bill C-58 at this point in time. On the one hand I am grateful that this charade is finally coming to a close. On the other hand I am still as much in the dark as I was several months ago when the government first launched its vendetta against two of the finest publications in Canada. We still do not know, after weeks of deliberation, just why the bill was tabled.

When my friend and colleague, the hon. member for Victoria-Haliburton (Mr. Scott) rose to speak on this bill a couple of weeks ago he opened his remarks by saying that everything that could be said had already been said about the substance of Bill C-58. He added that he was compelled to speak on the bill on behalf of his constituents, more than 90 per cent of whom were in favour of leaving these two magazines alone. I am sure the same applies to many people in the great riding of Parry Sound-Muskoka. I know also that many of my colleagues have received great numbers of letters in respect of this bill.

The remarks of the hon. member echoed the sentiments of most members of this House, although many of them did not put those sentiments into words. Like my colleague, I would like to commend the hon. member for Vancouver-Kingsway (Mrs. Holt) and the other members on the government benches who had the courage to speak out for their constituents on this vital question. As my colleagues are aware by now, I tend to be a sort of quiet and retiring person, and so I greatly admire scrappers like the hon. member for Vancouver-Kingsway who proved right from the beginning that she had the Secretary of State (Mr. Faulkner) figured out right to the "T". She showed beyond a shadow of a doubt that, while he professed to be some kind of an expert on the publishing industry, he was simply parroting the phrases provided to him by the Toronto publishing clique, the barons of mediocrity.

It should be interesting to see the Secretary of State in the next general election campaign flip-flopping, squirm-

ing, and equivocating all over the riding like the infamous generals of Hitler after World War II. He will probably complain that he was only following orders from the Prime Minister (Mr. Trudeau). Well, we all know what happened to those generals; and I would suggest that the Secretary of State will get some of his own back in the next election. The road to electoral defeat is paved with those members who thought, going into a campaign, that people never remember what happened a few months or a couple of years before.

The worst effect of Bill C-58 will not be the demise of *Time* and *Reader's Digest*. No matter what we do here with respect to those magazines, both *Time* and *Reader's Digest* will survive, not only in the United States but in the multitude of countries around the world where there is still freedom of the press, and where people still have the right to decide what they will read. The total effect of this bill will be, in the long run, the denial to the people of Canada of right of access to the periodicals of their choice.

If the real purpose of Bill C-58 is the protection of the Canadian periodical industry, then there are two reasons why this bill is out of contact with reality. In the first place, magazines such as *Maclean's* will not be made better or more prosperous for their owners by the act of eliminating their chief competitors. When I spoke earlier on this bill I described *Maclean's* as a tender flower which needed much nurturing in order to survive. Let me tell you, Mr. Speaker, that I now have had some cause to change. I think this tender flower could be more aptly described as a carnivorous man-eating or plant-eating plant in the sense of devouring its smaller and less successful competitors.

It may be that *Maclean's* will be the octopus of the Canadian periodical industry. *Time* and *Reader's Digest* have never been any real competition to *Maclean's* for the simple reason that they are not even in the same league. In my view that is like trying to protect the egg market in Canada by prohibiting the importation of apples from Oregon.

In the second place, because the bill cannot possibly affect the economic health of these two magazines, the real effect of the bill is to introduce censorship of a section of the media in Canada. I do not believe this censorship will end with these two magazines. I believe, and other members including the hon. member for Vancouver-Kingsway believe as I do, that if parliament allows the government to exercise censorship in the case of *Time* and *Reader's Digest*, we will be opening Pandora's box.

We will see this same censorship being exercised again and again by the Secretary of State, or perhaps by the Minister of National Revenue (Mr. Cullen). This is simply too much power to place in the hands of a minister, any minister, and especially a minister who has proven that he would use this power to work out a grudge against a particular magazine. Will it be a particular newspaper next or will it be *Maclean's*, the very magazine that Bill C-58 is designed to promote? *Maclean's* has lately adopted a policy of publishing laudatory articles about the Liberal government and pages of profiles of Liberal ministers. What if *Maclean's* should begin to write articles that tell the whole truth about the government and its ministers? Would the Secretary of State lower the boom?

Non-Canadian Publications

The hon. member for Victoria-Haliburton revealed another flaw in Bill C-58 when he pointed out that under both federal and provincial law 51 per cent or more ownership in any company in Canada or any kind of property constitutes ownership. He pointed out that even in the case of the recent laws governing foreign ownership of Canadian corporations the law states that ownership is Canadian if 51 per cent or more of stock in such company is owned by resident Canadians. If this is so, Mr. Speaker, then why is it necessary to single out two magazines, or why is it necessary to single out a particular kind of industry and say that the law does not apply?

Why is it important to us to insist that *Time* and *Reader's Digest* show 75 per cent or 80 per cent Canadian ownership to qualify as Canadian? I still have not been given the answer to that question, and I still have not found out what happened to the motion moved by the hon. member for Victoria-Haliburton.

● (1610)

Speaking of answers, I would like the Secretary of State to come clean on at least one aspect of this mess and tell us about the sweetheart deal the government made with *Reader's Digest*—or possibly it should be the Minister of National Revenue. I would like to know exactly what was arranged between *Reader's Digest* and the ministers in question. We have already heard the Minister of National Revenue say on national television that if Bill C-58 does not kill the Canadian edition of *Time* magazine, then perhaps he would have to consider bringing in much stronger legislation. We have been told that the sweetheart deal made with *Reader's Digest* could not apply in the case of *Time*. Why? I would like to know the answers to these questions, and time is running out—no pun intended.

The plain fact of Bill C-58 is that it is directed against the majority of Canadians, people who have expressed their wish to have *Time* and *Reader's Digest* remain as they are. Those people know what they like, they know what they want, and at this point in time they are well aware that their wishes are not important to the Secretary of State or the government as a whole.

In conclusion I should like to refer to a statement made in 1760 by Edmund Burke, one of the greatest of all parliamentarians and a staunch foe of oppressive government. In a paper he wrote in support of the repeal of the Popery laws he said, and I quote:

> A law against the majority of the people is in substance a law against the people itself. It is not particular injustice, but general oppression.

That sums up my opposition to Bill C-58. It provides me with two excellent reasons for voting against the bill. First, the bill denies the majority of Canadians the right of access to periodicals of their choice. Second, it opens the door to government censorship of the press in Canada. I challenge hon. members on the benches across the floor to find as good a reason for voting for Bill C-58. I challenge them to vote against the bill and fully support the amendment of the hon. member for Surrey-White Rock (Mr. Friesen).

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, having spoken before, my fear over content control and the ramifications of such tampering and manipulation of regu-

lations regarding content is well known here. I have also expressed my deep concern about the morality and the reflection on us as a nation over the manner with which we are treating those who were welcomed here one third of a century ago and who now are being ejected in a manner worthy of a banana republic, not that of a free, mature, and democratic nation such as Canada.

The one major concern in this whole debate, the reason I have participated with such vigour, and the reason I rise again on third reading is fear for the fundamental freedom of our country. This fear has been expressed by the most responsible and able people in the media across this nation. We all see it threatened under this tax legislation. We see freedom threatened by giving bureaucrats the power of cultural police, and courts being stripped of the power in this case that should wholly be held there.

There should not be a final decision by anyone in a democracy other than a court. This is a threat to freedom itself. The foundations of democracy, not only freedom of the press but use of law and the court as final arbiter, are being lost in the regulations which are part of all this.

This is all happening as our world grows smaller and the number of free societies is diminishing. It is obvious that the first sign of trouble and emerging tyranny is erosion of a free press. Freedom, so precious but with such fragile underpinnings, is constantly in crisis. It should never be tampered with or treated lightly, because it can quickly collapse. Freedoms throughout the world were virtually lost overnight when a despot took over nations when he could not stand up to the scrutiny of the masses. The first act was inevitably to remove those who exposed him to scrutiny, that is, the published and, today, the electronic media. That thus eliminates freedom of the press, and then there is the freedom to do whatever is desired with the people, and any atrocity is acceptable.

I use this illustration because to understand the normal we must understand the abnormal. The extreme is always a possibility and a danger when freedom is so delicate. Those who watch and report to the citizenry, and those who are known as the fourth estate of society must be with us whether they are good or bad. A free press is our protection. It does not matter that the style of reporting might not make us all happy. I wish it were better in Canada and that there were more self-discipline within the press so that there would never be danger of control over it. Our system of justice, our system of parliament, and our agencies of government must be watched, just as the courts must be watched, by the press. Bill C-58 could be a dangerous step and could shatter the fragile underpinnings of our whole system of public communication.

All of us here, though devoted to our country and our democracy, could share in our own demise. Many here sincerely believe in some high minded objective, some hope of national growth and superiority and, frighteningly enough, national purity against the entry of outsiders. That has happened often in history, and history must be our lesson.

Some of my hon. colleagues express concern and even some disgust that this bill has struggled so long through gestation. It should never have been conceived. Perhaps the parents of this bill are mismatched, and the product can only be a warped, deformed monster. I think there would be greater cause for worry if Bill C-58 had been taken as lightly as some of the committee members wished, or if it had been handled with the casualness of what some have described as a simple tax bill. It is much more than that. It is a twisting of regulations to fit the plan of a cultural assassination to silence certain periodicals because they are not purely Canadian.

Freedom was lost in another country in the search for a pure Aryan quality. The first move there was to silence the press. Once the press or the media was no longer free, the most horrendous atrocities could occur. Millions of lives were destroyed, and no one was there to report that or to account to the nation or the international community, because the nation itself was no longer free. Perhaps that will not happen here, but it was always maintained it could not happen in Germany. After all, Germany was one of the most culturally advanced societies of the nineteenth and early twentieth centuries. However, it did happen, and thus there can be no guarantee that it cannot happen elsewhere, even in Canada. When any group abuses freedom there is the danger of losing it. Whenever people fail to use self-discipline in their profession or business, the state inevitably moves in and opposes it.

It has been said by the leader of this side of the House that before the anti-inflation program was introduced, big business, big industry and big unions would not use self-discipline; they would not co-operate to solve the problems of this nation, and so controls were imposed. It frightens me to think that controls could ever move into the cultural field. Some of the most democratic people in this country are actually saying this without awareness of the tyranny into which they can lead all of us, and despite their well-intentioned and seemingly high minded principles. Some members of parliament talk of imposing codes of ethics on journalists.

The Secretary of State (Mr. Faulkner) talked casually in the committee of a cultural plan for Canada. It is possibly because of what is happening in other areas in Canada that reinforces my fear at this moment. Judy LaMarsh in her commission on violence in the media discusses the possibility of censorship. The CRTC has ordered CFCF Montreal to show cause why it should not lose its licence for doing what is one of the jobs of the media, drawing attention to controversial issues, including the actions, good or bad, of government. The issue of the language bill, Bill 22 in Quebec, and the reaction, a petition with 600,000 names, seem to have angered powerful forces close to the government.

● (1620)

CRTC chairman, Harry Boyle—one of the great Canadian electronic media experts and an eminently just man, one who understands freedom and the delicacy of its life and knows the press as well as any Canadian—explained his reasons for the CRTC threat to the CFCF licence by saying the reporting was not balanced. Surely that is a journalistic judgment and not one that should concern the CRTC. But CRTC power has become almost greater than the government that has created it. It is because of this that I am so concerned about this one other and major step toward diminishing freedom in communications.

Perhaps members of the press have distorted and exaggerated issues and in many cases lost their credibility. Thus at this time, when their voices are loud and clear and uniform on Bill C-58, few in this House, in these seats of power, are listening. It is as though they cried wolf too often, and unfortunately they are not being heard right now.

Virtually every major and minor newspaper and columnist is attacking Bill C-58 as a threat to the basic freedom of communication in our society. They are stressing the inherent danger of control of content and the use of tax legislation to drive publications and the border television stations such as KVOS-BC Ltd. out of the country. But now members of this House will not listen. That in itself is frightening. It means they have contempt for the press or lack of confidence in it; therefore it could be expendable in the hands of ruthless government. It is basic that even a bad press that is free is essential to a free society; when your press is no longer able to watch, no longer able to report, even if the reportage is bad, then your society is in jeopardy.

It has been said that parliamentarians and the press are natural enemies. I think at the present time this can be a very dangerous enmity since parliament seems determined to take unto itself, through Bill C-58, the power to control content in one segment of the media and remove the court's right of final arbiter in the question of content control and manipulation control. This will ultimately, if the law is enforced equally as it should be, affect the whole media. It only needs a small start to spread.

If we were to lose our liberties, the liberty of the press would bring them all back again. The liberty of the press and the liberty of the country must stand or fall together, as one writer said. The loss can spread once it starts with the speed of an infectious disease through the entire body of publications. When this happens, and it can happen, freedom is lost.

As long as the press is free and democratic, a type of love-hate relationship will exist. I think it is healthy that it exists between parliamentarians and the media. It is based on a reliance on each other and the need to work together; the one to enact legislation, and the other to tell it to the public.

For the politicians in parliament there is a fundamental ambition; that is to use the press, the media, to help them get re-elected. And the press, feeling this power only during elections, is inclined to subtle arrogance. But when freedom goes there are no elections and there is no need for those in power to maintain a friendship with the press. There are those dangers.

There is a thought that is passing through my mind as I read the history of democracies that have died. In every case the first action in their demolition was elimination of the press. It has been said so often, I have said it before and I say it again, that even a bad and irresponsible press that is free is better than no free press.

There has never been a time in our history when a responsible and dedicated press dedicated to this nation could be more useful and important to our sociological and economic health and the national well being. The good messages that are coming out of this House, the good things that are happening despite partisan politics in the front rows here, and the debate that goes on across this great hall, all the good things happening here are not being told across Canada. The psychic depression is more devastating, I would think, as a result possibly of press failure to tell the good as well as the bad. It is probably more serious than the economic pressures and worries.

That is not the issue at this time, however. No matter what the press does here it must be held free. Perhaps it may have to use self-discipline, but that is another debate. Even if parliament is not listening to the message about Bill C-58—perhaps because of annoyance—it changes nothing. The vindictive and punitive power used by parliament is dangerous. What is next after Bill C-58?

It is interesting to note that the Toronto *Sun*, a unique publication that survived and asked no quarter, asked no handout, asked no protection from the government of Canada in fighting the giants of Toronto, the *Globe and Mail* and the Toronto *Star*. The *Sun's* survival is something of a media miracle. The spirit of those who worked on the *Telegram* moved to the *Sun* when that paper was demolished in a sense, or taken over by the two giants.

The *Sun* points out, as many of us have pointed out repeatedly here, that the newspapers of Canada are jammed with material from the New York *Times*, the London *Observer*, *The Economist*, the Los Angeles *Times*, etc. If the C-58 content rules were applied consistently and as they should be in law, not one Canadian newspaper could meet the 80 per cent measure, a measure that would be made by ruler and probably a pocket calculator in the hands of officials of the Department of National Revenue. It would also mean that Canadians would be deprived of foreign news because the words "essentially different" and the other words "continuing arrangement" which govern this whole bill would ban entry of outside information.

On October 30, 1975, the Vancouver *Sun* wrote:

> If there are tears to be shed they are not for two magazines that will, without doubt, continue to provide many of their two million Canadian purchasers—and at least twice as many readers—with a different American version.
>
> Rather, they are for a country that would allow its laws to be twisted by bureaucratic redefinition to apply to two specific publications, whatever the publications . . .

The article continues:

> Whatever else it is, it is not freedom of the press, that "fundamental freedom" enshrined in that limited, neglected and for the most part ineffective act known as the Canadian Bill of Rights. Perhaps it is time that "fundamental freedom" was tested in a courtroom.

In the Montreal *Gazette* of November 27, 1975, John Meyer wrote, "Thoughtful Canadians have every reason to be apprehensive". He discussed the extremes to which the government is prepared to go, and said:

> That government should be willing to bring its authority to bear to destroy competition as distinct from equalizing it, ought to cause other foreign subsidiaries in Canada to ask when they will be found no longer acceptable.

The list is endless. The Secretary of State repeatedly relied on the Canadian periodical association to support his position. This organization was formed less than three years ago in order to push this bill through for vested interests, not in the interests of Canada. Certainly if I

know periodical publishing it is no help to the publishing industry.

The prestigious Canadian Authors Association, an organization of about 850 author members, probably every author in Canada, which fought since 1921 and obtained improved copyright laws and other protections for writers, came before the committee, was given a polite hearing, and that was all. What it said seemed to be ignored. Although the resolution it put before parliament of Canada is not included in the minutes of the committee hearings, may I put part of its resolution on record? It is resolved, in the second paragraph:

● (1630)

... that the intended establishment of content guidelines for periodicals published in Canada as a minimum requirement for determining the "Canadian-ness" of these periodicals is anathema to the principles of freedom of expression upon which this country has flourished and without which it will quickly diminish in stature.

They go on to make this next point:

... that the Government of Canada immediately rescind its current actions in seeking to amend the Income Tax Act so as to restrict any periodical—including our daily press which does not, nor could not, meet such requirements—from publishing whatever content it deems most acceptable to its own readers in the firm belief that Canadians are sufficiently mature to reject those ideas and concepts that hold no appeal for them and in the further belief that maturity can only grow—as the nation itself grows—through the people's own powers of choice.

They wanted to make it clear to the leaders of our government that the growth of Canadian culture can only be inhibited by censorship and unacceptable ownership guidelines such as are currently being considered by the government for such periodicals as *Reader's Digest* and *Time* and, in fact, that only by exposure to all Canadians of such vehicles can an indigenous culture develop and flourish.

That statement was ignored, as was the statement by the ad hoc group of 27 authors who wrote a letter to the committee asking the committee not to move in the direction indicated by Bill C-58. Among the authors were included Sydney Katz, Bruce Hutchison and Robert Collins, who are prominent Canadians and good writers.

The national fervor, obviously greed for more and more, is exemplified by *Maclean's*, that great, multinational conglomerate, and Southam's, which has vested interests in periodical publications and owns its own television and cable companies. Incidentally, among the top 200 Canadian corporations *Maclean's* ranks as 143rd and Southam's as 88th.

The most interesting example of the motivation for this cultural nationalism is the amusing irony in the recent story about book publisher Mel Hurtig, Edmonton's resident nationalist, the man who headed the "Committee for an independent Canada."

Hurtig, who is perpetually heard crying "foul" about American intrusion into Canadian books and periodicals, provides jobs in Japan and other foreign countries rather than in Canada. He can get his books printed more cheaply abroad. On January 1 of this year Hurtig lost his lucrative *Guinness Books of Records*. The outcry was horrendous. While he does not want foreign subsidiary houses operating in Canada lest they jeopardize his income, he cried "foul" because the Guinness best seller had been lost to him. It may be the first response to Canadian cultural protectionism, called nationalism.

[Mrs. Holt.]

Hurtig lost one quarter of his income, his "seed money", by the Guinness action. Jamie Portman, reporting for Southam News service, described Hurtig as "hopping mad". Hurtig is reported to have said, "Here it is, happening to me, a Canadian nationalist who has long argued about the way in which we can be affected by decision-making outside our own borders. I never dreamed I would be faced with such a situation myself." Instead of realizing he had created his own disaster he turned his attack on the foreign publishers. They probably knew what he had been doing and were giving him some sort of message. Even the Secretary of State sent a personal letter, I understand—according to Portman's report in the *Citizen* of December 17, 1975—warning Norris McWhirter of the "serious implications this action could have for the future of the Canadian publishing industry." What a strange argument.

Hurtig wrote:

Your decision, to the Guinness group, means that our publishing company will have a substantial drop in sale thus affecting our ability to publish Canadian books. It will mean more of an outflow of profits from Canada to United States each year.

He was writing this letter to a British book company. He went on:

In general, it will be highly detrimental to both Canadian book publishing and the Canadian market as well.

If Guinness books were looking for the world's record for the greatest distortion of nationalism in the world, that would be it.

Let me return to the serious question of this bill and the danger it represents to the entire body of freedom, not just the freedom of self-serving nationalists.

As quoted by Leonard Lyons of New York *Post*, April 1, 1959, Nehru said to Khruschev in a meeting:

You do not change the course of history by turning the faces of portraits to the wall.

While we cannot change history's course, the patterns of past history have a consistency which warn we are headed on a collision course with freedom. It begins when a state starts tampering with content of publications, with freedom to publish, and the whole business of censorship, which often goes as far as the assassination of publications. How often have I heard that this bill is not censorship! I don't know what censorship is, if this is not censorship.

The most recent and significant demise of a free press in a democracy occurred in India. When Indira Ghandi's troubles began one of her first actions was to manipulate, then totally control, freedom of the press, thus putting India's newspapers under permanent censorship. The bill she put through her parliament last June was described as so far-reaching that no paper will be able to say, for example, that poverty has increased in India. Banned from publication will be accounts of anti-government demonstrations, arrests, opposition activities, and even speeches in parliament.

Yes, it can happen here—and the Secretary of State announced in committee that he had a cultural plan for Canada. That has happened before, with nationalism as the

driving force, the most notable example being the German cultural plan announced in *Mein Kampf* by Adolf Hitler. It outlined complete monopoly control of public communications—press, film, wireless, exhibitions—by which public opinion is created.

In the fall of 1933 Dr. Goebbels, the propaganda minister, set up his cultural power structure with a government act. It was to be the Reich Culture Chamber, which would exercise strictly centralized control. Then, on October 4, 1933, the inevitable happened. The journalists act was passed. It expressly repudiated the liberal notion of the freedom of the press. Said Dr. Goebbels:

Such an idea proceeded not from people collectively, but from the individual, and in its exaggerated form it has increasingly made it evident that freedom of opinion, the more it was conceded to the individual, the more it reacted to the prejudice of the general good of the whole people.

He said:

... we want no opinionated nonsense. We want frank and honourable utterance.

Entry to the profession was confined to those on a restricted list possessing German citizenship. They had to be Aryan, not foreign. This was a combination of nationalism and socialism. Hitler called it national socialism. Those entering the profession, Goebbels said, had to show all the characteristics "demanded by the task of spiritually and intellectually influencing public opinion. Consciousness of responsibility to state and people, and personal purity, shall decide the entry to the profession of journalists."

And they said it could not happen there; but it did.

Just one year before the journalists act was passed—and I am saying this to show what can happen—there were 4,700 newspapers in Germany, of which 70 per cent were dailies. More than 100 different parties or group ideologies were represented. The largest of these was the Berliner *Morgenpost*, claiming a circulation of 600,000. It had been founded in 1898 by the House of Ullstein—a father and five sons. When Hitler became chancellor in January, 1933, he immediately caused President Paul von Hindenburg to invoke article 48 of the constitution in order to cancel the guaranteed freedom of the press. Some papers were immediately silenced. Within three months 200 were suspended, and within a year 600 papers were dead. The House of Ullstein, being Jewish, was driven out.

● (1640)

When Germany seized Austria in 1938, publications were again among the first target of the Nazis. Many old papers died including the *Wiener Zeitune*, founded in 1703. The rest of Vienna's newspapers were melded into one Nazi organ.

I have a Viennese friend who escaped and now lives in the west. She recalls the day that this all happened. She said, "No one can understand what it means to go to bed at night in a free society and wake up the next morning to find that you no longer have police protection or a free press". Every erosion of our own freedom of choice, freedom of publication, can clear the way to despotism.

Can anyone in this House guarantee that when content control and manipulation are handled by bureaucracy, not by editors or journalists, that we are safe, that we will not see freedom of the press in general jeopardized?

Non-Canadian Publications

Most of us here only know Czechoslovakia, with all its artistry and beauty, through the magnificence displayed in its pavillion at Expo 1967, the year before that nation was invaded and enslaved in 1968 because it dared to be free. It lost its freedom in the Nazi deal with Chamberlain in 1939, and then again in 1968 when the Russians invaded. The first victim besides Dubcek, who had been emancipating the country and the press, was the media. The Czech Journalists Union Review reported that, between 1968 and 1972, 1,222 journalists had been expelled.

I feel very strongly, as do many Canadians, about what happens in a nation that is not free. Across this country are descendents of people who fled to freedom. My parents knew the pain and suffering of tyrannical government. They seldom talked about it. They fled as children. My mother first fled to the United States. She recalls fleeing from the Cossacks as a girl of 13 and hiding in a graveyard with her sister-in-law, who was in an advanced stage of pregnancy. She delivered the baby in that graveyard and they managed to flee.

As a boy of 13 my father fled and came to Canada. He came to the prairies shortly after Alberta joined confederation. He only talked of this once, but he recalls with great pain how his little cousins were held up by their feet and chopped in half. I feel very strongly about freedom. Every Canadian whose ancestors fled to this free country should be concerned about erosion in our free press and our free society.

In Viet Nam, while the Americans were there, the press reported American activities freely—mostly the bad news. There was no freedom in reporting the Viet Cong. Thus their atrocities may never be revealed. Once the Americans left Viet Nam, the free open society disappeared, and today a watchful press is not there to inhibit those who use secrecy and privacy to conceal atrocities. Who is complaining now? Who is talking? Who is worried about what is happening in Viet Nam?

In Cambodia's Phnom Penh only 20,000 of its three million residents were left in the city after the Khymer Rouge drove the millions out into the fields. No reporters were there to report the massacres, starvations, tortures and murders. We do not know yet. A young doctor who happened to be in this country visited my office. He is searching for his young wife and three year old baby. He will never find them. They probably died of starvation outside Phnom Penh.

The free press goes, and so does freedom. The slightest interference with regard to content or the control of content, and any kind of dictatorship with regard to what can be written, published and heard, are a threat to our freedom.

The condition of the press in Russia is well known. My parents recall the silent press that would not help the Jewish people. Today medicine is used by the state to imprison and destroy. Insane asylums are used as a device of torture and punishment. There is no freedom of religion, free right of movement, or job opportunity.

The Jews throughout history have been the barometer of lost freedoms, and no place more exemplified this in twentieth century history than did Germany and Russia. Once the persecution begins for them it spreads to others first

along religious and political lines, and then indiscriminately. It was said by Heinrich Heine in 1834 that since the Exodus, I presume from slavery in Egypt, freedom has always spoken with a Hebrew accent. Perhaps I feel differently about this bill than some here because I have a different heritage.

This legislation, drafted to set a percentage on content by regulation and with no recourse to the courts for a test of its legality, is designed in the name of nationalism. I still say freedom itself, and the structure of democratic initiative and control by the justice system are threatened.

We probably will survive this, but when and what steps will be taken next in the cultural plan? I return to government interference with the right of the public to buy, to read, to watch what it wants, whether the parent company is Canadian or American. That is a step away from freedom.

And that phoney line: "We'll still get *Time* magazine" is specious. We will not get it in the way 500,000 Canadians have enjoyed it because content is controlled. Somebody said four Canadian pages. I do not care if it is four or six pages. I thought it was seven or eight. However, it is a balance of national news. There are 500,000 Canadians who have enjoyed its balance of content. If we do not want it manipulated and controlled so as to drive it out of the country, we will get an all-American edition as we do with the other imports.

The jobs in the west will go. *Time* says that it may keep some jobs in Montreal. It is possible that they will take their magazine and with it all the materials bought in Canada, move across the border and export in the same way as *Newsweek* and other magazines.

Both *Time* and *Reader's Digest* have said that they do not seek special exemptions, special status, or special privileges of any sort. It is the right of the people to advertise where they choose. Lest there be any doubt about the matter, they do not seek a competitive commercial advantage.

I would like to see *Maclean's* put out a quality news magazine that can compete. I would love to see it become such a good magazine that *Reader's Digest* would lose some of its circulation. That would be great. However, all they are into is a vindictive, narrow, Toronto-based nationalism that ends on Bloor Street.

● (1650)

In any case Bill C-58 is an assault on the right of the citizen. If a nation values anything more than freedom, it will lose that freedom, said Somerset Maugham. And the irony of it is that if it is money that is valued more than freedom, that too will be lost. We can only be losers in this attempt to push through Bill C-58 which represents a start toward an objective we can only fear.

Some hon. Members: Hear, hear!

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, first I should like to say that this will be the last time I shall speak in this House under the leadership of my hon. friend, the hon. member for Halifax (Mr. Stanfield), who legally, I suppose, will cease to be the Leader of the Opposition in some five or six minutes time. I am delighted, however, that he intends to retain his seat in the House and I hope he will carry on in public in future the way he does in private, so that the country at large will be able to benefit from his wisdom more than it has in the past.

Some hon. Members: Hear, hear!

Mr. McKinnon: I should also like to compliment the hon. member for Vancouver-Kingsway (Mrs. Holt) on the well-prepared speech she has just delivered. She shows an independence of spirit which is very rare. I do not say it is very rare only on the government side. It is very rare on both sides of the House. I compliment her on this, but I warn her that if her philosophy develops along the line it has taken in the last three or four weeks there will be other issues on which she will find herself at odds with the government. From reading her speeches closely I would say there is very little in common between her and, for example, the Secretary of State (Mr. Faulkner). Freedom is not limited to the printed word or to the electronic media. So I suspect the hon. member will be joining with members in various corners of the House in future in opposition to other legislation of a nature similar to the bill before us today.

Mr. Blais: On a point of order, Mr. Speaker, I hesitate to interrupt the hon. member but perhaps I might obtain some information from the deputy House leader of the Conservative party. There was some indication at the time negotiations were going on between the parties to offer the Conservatives the extra hours, this evening and tomorrow, that debate on the bill before us would be terminated by five o'clock and the Conservatives could hold their convention in peace. All members would now agree, I imagine, that for the past week at any rate the debate has been repetitive and superfluous.

I would point out that an amendment has been presented which was not contemplated earlier, and this indicates some reluctance on the part of the opposition to make an effort along the lines suggested. I wonder now whether it is intended that the debate should be wound up before five o'clock. Should this not be the intention of the opposition I can only say that the government will seriously consider moving to obtain extra time in the immediate future to make up for the time which has been lost as a result of the agreement.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I do not know why the hon. member should raise at this point, a few minutes before five o'clock, a matter which he and I in the course of our duty as deputy House leaders had been discussing previously. I recall that I was once chastized, very rightly, by the President of the Privy Council (Mr. Sharp) for making a statement in the House with respect to a matter which had been discussed among House leaders. I felt so strongly about breaching what I considered to be the traditional protocol which governs these matters that I went to the President of the Privy Council and apologized profusely to him for my breach of etiquette.

I want to say with respect to what has happened today that this is an equally bad-tempered breach of parliamen-

tary etiquette. I do not know whether I ought to say anything further now with respect to the matter. But I hope we all understand that, though the government is anxious to get this legislation through, there are very strong feelings about the bill, not just on this side of the House but on both sides.

If there had been an understanding between House leaders such as the one to which the parliamentary secretary has referred, and if I had had knowledge of such an understanding, I would have indicated as much to the hon. gentleman when he was over here to see me.

Non-Canadian Publications

Some hon. Members: Oh!

Mr. Baker (Grenville-Carleton): I have to say, in response to his intervention, that I do not believe it would be appropriate for me to go further in the circumstances.

Mr. Guay (St. Boniface): Five o'clock!

The Acting Speaker (Mr. Turner): Order. Pursuant to special order passed on Monday, February 16, this House stands adjourned until 2 p.m. on Monday, February 23.

At 5 p.m. the House adjourned, pursuant to Special Order.

HOUSE OF COMMONS

Monday, February 23, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

JUDGMENT IN CONTROVERTED ELECTION IN VANCOUVER EAST

Mr. Speaker: Order, please. I have the honour to inform the House that I have received from the Honourable Mr. Chief Justice N. T. Nemetz and the Honourable Mr. Justice E. D. Fulton, both of the Supreme Court of British Columbia, the two judges appointed for the trial of a petition pursuant to the Dominion Controverted Elections Act, a certificate of judgment in the matter of an election in the electoral district of Vancouver East.

* * *

[*Translation*]

CONSUMER AFFAIRS

PROPOSED CREATION OF FOOD MINISTRY—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request unanimous consent of the House to present a motion on an important and urgent matter.

In view of the increasingly obvious need for adopting clear and specific policies on the food sector which will again be affected this year by considerably higher costs and so affect Canadian consumers as well, and as the farming sector is up against certain difficulties including, for instance, an expected much lower farm income for the year in spite of relentlessly higher production costs, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House now study the recommendation made recently by the Food Prices Review Board for setting up at provincial and federal government levels a food ministry entrusted with the formulation of a coherent food policy, and that this House analyze any proposal of similar nature capable of ensuring balance between food production and food consumption, thus sparing all Canadians, producers and consumers, the consequences of the lack of planning in that sphere.

Mr. Speaker: The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, the motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: As there is not unanimous consent, the motion cannot be put.

* * *

[*English*]

HOUSE OF COMMONS

REFERENCE TO LENGTH OF SESSION

Mr. Speaker: Order, please. Before beginning the oral question period, may I call to the attention of hon. members that the longest session in the history of the Parliament of Canada was one lasting 250 days, the two hundred and fiftieth day falling on May 8, 1967. This day is the two hundred and fiftieth day of the current session of parliament.

Some hon. Members: Shame!

Mr. Lawrence: This has been one of the least productive of sessions.

Mr. Speaker: Order, please.

● (1410)

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

REQUEST FOR REPORT ON HOSTAGE TAKING AT CANADIAN EMBASSY IN BEIRUT AND SECURITY PROVISIONS AT EMBASSIES

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Wagner: Mr. Speaker, may I thank all my colleagues in this House for this very moving expression of their friendship. This is one of the moments when I am proud of being a Canadian.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Wagner: I should like to put a question to the Secretary of State for External Affairs, because of the great concern in Canada over the security of our chargé d'affaires and eight other Canadians who are members of the Canadian embassy personnel at Beirut.

Can the minister advise the House, and the country, what steps the Canadian government has taken and intends to take, subject of course to the threat too elabo-

rate a declaration could constitute by prejudicing current negotiations?

[*English*]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, since this morning, we have been in touch with our Chargé in Beirut. As the hon. member has mentioned, the embassy is occupied by a Canadian citizen of Lebanese origin, Mr. Haymour, with a group of companions, who have made a series of demands upon the Canadian and Lebanese authorities. There is no doubt at the present time that lives are at stake. Among those lives are nine members of the Canadian Embassy staff. I also wish to mention that I have been in touch personally with the foreign minister of Lebanon who has assured me that the Lebanese authorities are making every possible effort to secure a safe release of all the hostages. They are presently in negotiation with the persons who are holding as hostages these Canadian and Lebanese citizens.

Mr. Wagner: Given the situation that the minister has explained, and given the fact that these individuals may not be political terrorists in the commonly accepted understanding of that term, can the minister explain how security can be so easily breached in a strife-torn country beset with continuing political turmoil?

Mr. MacEachen: As the hon. member may know, Mr. Speaker, the embassy is, on a daily basis, the place to which many persons go who are seeking to come to Canada. People have access to the embassy for consular business. I conclude that the Lebanese people who are being held were persons in the embassy for business and, of course, the embassy staff were providing services in the normal way. I may add that the female members of the embassy staff were released. However, it is impossible to apply total security when the embassy is open, as this embassy is, to do business with the public.

Mr. Wagner: What assurance can the minister give the House and the country that security at all Canadian embassies and diplomatic premises around the world is being strengthened in the light of escalating acts of terrorism?

Mr. MacEachen: Mr. Speaker, I can give the hon. member and the House assurance that prior to this present incident, security measures had been re-examined. In various embassies throughout the world, additional steps have been taken to meet the increased problems that are being faced throughout the world. However, the hon. member will realize that it is impossible, in a situation where the public has access, to provide totally effective security, as this incident has shown.

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VETERANS AFFAIRS

DATE OF INTRODUCTION OF LEGISLATION GRANTING PENSIONS TO EX-PRISONERS OF WAR

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. In view of the fact that last Friday the cabinet had on its agenda the question of implementing the seventh report of the Standing Committee on Veterans Affairs having to do with Canadian veterans who were prisoners of war, can the minister say whether a favourable decision was reached and, if so, when the appropriate legislation will be introduced?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): I appreciate the hon. member's question but I shall not be able to make a statement today.

Mr. Knowles (Winnipeg North Centre): May I ask whether there will be an announcement this week?

Mr. MacDonald (Cardigan): I anticipate there will be.

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PENITENTIARIES

DATE AND COST OF TRANSFERRING PRISONERS FROM BRITISH COLUMBIA TO NEW BRUNSWICK

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I should like to direct my question to the Solicitor General. Since Air Canada has refused to fly the prisoners involved in last week's hostage drama at B.C. Penitentiary to Dorchester, and arrangements have now been made with the Ministry of Transport to do so, will the minister tell us exactly when these prisoners will be transported and at what cost?

Hon. Warren Allmand (Solicitor General): It is correct that arrangements are being made to transport these inmates by government aircraft, but I cannot give him precise information as to when they will be flown to New Brunswick. I can say, though, that it is likely these arrangements will be less expensive than had the men been transported on Air Canada aircraft.

Mr. Reynolds: Since Andy Bruce is scheduled to be returned to B.C. after a cooling off period and Dwight Lucas will have to be returned for trial on a charge of attempted murder, how does the Solicitor General intend to carry out this new arrangement of transporting prisoners back and forth? Is it his intention to buy a plane for the Canadian penitentiary service for just this purpose?

Mr. Allmand: This is not a new practice in the penal service. We have been transporting prisoners for years so as to break up different cliques and gangs in the penitentiaries and ensure better security in our prisons.

BRITISH COLUMBIA—ALLEGATION GUARDS ARRANGED FOR KNIVES FOR INMATES TO EMBARRASS DIRECTOR

Mr. John Reynolds (Burnaby-Richmond-Delta): In view of the fact that Gary Bannerman, a broadcaster in British Columbia, made statements on Saturday which said the staff had arranged for knives for the inmates to embarrass the director, can the minister tell us if there is any truth to these statements and whether his department has found there were inside people involved to embarrass the director of that institution, whose resignation has been called for by all the guards in that institution?

Hon. Warren Allmand (Solicitor General): I have no evidence on that aspect right now, but we have set up an inquiry to determine the circumstances of the hostage-taking and I hope to make the information available to the House and to the public as soon as the inquiry is completed.

[*Translation*]

PROPOSAL THAT BRITISH COLUMBIA CRIMINALS NOT BE TRANSFERRED TO NEW BRUNSWICK

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I would like to direct my question to the Solicitor General.

Since we have enough problems in the Atlantic Region and more particularly in New Brunswick, would the Solicitor General take the necessary measures so that British Columbia criminals remain in British Columbia?

[*English*]

Hon. Warren Allmand (Solicitor General): As I said, it happens on many occasions that we transfer inmates from one penitentiary to another in order to provide better security by breaking up cliques and gangs. I might point out to my hon. friend that we have several inmates from New Brunswick in British Columbia penitentiaries.

Some hon. Members: Oh, oh!

* * *

[*Translation*]

INDUSTRY

ST. JEROME TRICOFIL—INQUIRY WHETHER GOVERNMENT WILL GRANT FINANCIAL AID

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce.

Undoubtedly the minister is aware of the difficulties experienced by the firm Tricofil of St. Jerome which cannot get bank credit or assistance from the Quebec government. Did the minister have talks with Tricofil which was asking for federal assistance either from the Department of Industry, Trade and Commerce, and if there were talks between Tricofil, the government and the department, did the department reach a conclusion?

● (1420)

[*English*]

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I believe some such discussions are underway, but I would ask the hon. member's indulgence to take the question as notice. I will get him a detailed answer tomorrow.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I very much appreciate the minister's answer. Can we expect the federal government to assist this new form of trade organization?

[*English*]

Mr. Jamieson: As I say, Mr. Speaker, I am not aware at the moment of all the particulars, but I will get all the details and try to respond tomorrow.

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CONSUMER AFFAIRS

SUGGESTED ESTABLISHMENT OF MINISTRY RESPONSIBLE FOR FOOD

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to address my question to the right hon. Prime Minister. What action does the government intend to take on the final recommendation of the Food Prices Review Board, released last Friday, which recommends, among other things, the setting up of a ministry of state for food which would have responsibility for keeping an eye on the Minister of Agriculture?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot believe that that was seriously recommended by the review board. Perhaps the hon. member was too busy over the weekend to read the text himself; he might want to ask a better question.

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AGRICULTURE

PROPOSED ESTABLISHMENT OF FEDERAL-PROVINCIAL BOARD TO CO-ORDINATE FOOD PRODUCTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a supplementary question to the Minister of Agriculture. The minister can assure the Prime Minister that the Food Prices Review Board was, in fact, serious in its final recommendation. Does the Minister of Agriculture intend to follow the other principal recommendations of the Food Prices Review Board, which spoke so critical of him, by setting up immediately a federal-provincial board which would have the effect of co-ordinating and maximizing the production of food in Canada, especially for the benefit of Canadian consumers as well as world consumers?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I have not had time to study the report. It arrived on my desk only this morning and I was very busy this weekend looking after my constituency,—

Some hon. Members: Oh, oh!

Mr. Whelan: —so I have not had time to study it. I have only had time to see what was written in some of the nation's leading newspapers. I do not want to be a super Minister of Agriculture; I just want to be a good one.

Oral Questions

ENERGY

REQUEST FOR REPORT ON GOVERNMENT CONSERVATION MEASURES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister who sits beside the ordinary "superstar" of the cabinet; I refer to the Minister of Energy, Mines and Resources. As the government assured the Canadian people more than two years ago that it intended to set a very serious example to the Canadian people regarding energy conservation by means of substituting small cars for large cars in the government service, doing away with a number of government cars by requiring civil servants to use public transportation, reducing the general level of heating in government buildings and by using other methods, would the minister take the first opportunity on motions to come before the House and outline just what the government has been able to accomplish in this regard in the past two years?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I would be very pleased to outline to the House what we have been doing in the past two years and what we hope the country and the opposition will support over the next two years. I shall be issuing a report the middle of this week, I expect, and I would seek an early opportunity to have members opposite put questions to me on this very important policy.

Mr. Hees: Mr. Speaker, I will put a question to the Minister right now. In view of the fact that to the observing public there has been nothing done in any of these regards, would the minister have the honesty to come before the House tomorrow on motions and admit that absolutely nothing has been done to correct the situation?

* * *

FOREIGN INVESTMENT

DATE OF DECISION ON ATTEMPT TO TAKE OVER WESTINGHOUSE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I direct my question to the Minister of Industry, Trade and Commerce. The minister has been unusually silent regarding the Westinghouse matter, WCI and GSW. In light of the fact that he will be going overseas shortly, within three or four days, would he give us some indication of what progress has been made?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker, substantial progress has been made. I am glad to see the policeman back in the House too, I might say. In any event, I think the hon. member knows we have been getting representations on both sides of this issue virtually every day. I have now got all the material necessary to make a decision and I hope one can be made very shortly.

Mr. Alexander: Mr. Speaker, I want to thank the minister for welcoming me back to the House. He knows that I never abdicate my responsibilities, even after having worked so hard over the weekend.

Some hon. Members: Hear, hear!

[Mr. Whelan.]

Mr. Alexander: I might say that I heard the minister make this utterance on two or three occasions, and I should just like his assurance now that he will be able to bring forward a decision to the House prior to the time he leaves on this jaunt which I think he is contemplating at this time. I understand it is to be in three or four days. Will he have a decision on this matter prior to the time he goes away?

Mr. Jamieson: Mr. Speaker, that is my objective at the moment. In so far as I know, there is nothing that should stand in the way of that, but I have to qualify it by stating that, as the hon. member knows, there is new information, and new representations are being made frequently, but on the basis of what I have at hand now it ought to be possible to accomplish what the hon. member asks.

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FISHERIES

FISHING BOAT SUBSIDY—REQUEST FOR CLARIFICATION OF THE REGULATIONS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I would direct my question to the Minister of State for Fisheries. In view of the considerable number of unpaid fishing boat subsidy claims in Nova Scotia, is it the minister's intention to review this matter in the hope that federal subsidies as promised will be paid and, in addition, will he take steps to clarify the present regulations so that fishermen in need of the new boats which will be required when we secure a Canadian 200-mile economic zone will receive assistance, as promised by the federal government, within a reasonable period of time?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I would have to take issue with the hon. member's use of the word "promised". The subsidies were given to the extent that they were available up to $4 million, but then there was just not enough to go around. In the marginal cases where we might have led a fisherman to believe that his boat subsidy would be approved, in which case he made a commitment, I decided in favour of the fisherman where I could. There were other cases where fishermen, although having been clearly told that subsidies would not be available, went ahead. In these cases, of course, I could not approve retroactively what they were warned not to do ahead of time.

INCOME SUPPORT PROGRAM—DATE OF INTRODUCTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wonder whether the Minister of State for Fisheries would indicate if the income support program for fishermen is now ready to be introduced, particularly in view of the fact that about five months ago in committee one of his officials indicated it would be ready in about six months? I ask this in order to relieve the anxiety of fishermen who are preparing for the new fishing season.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I can confirm that I did spend three hours this morning working on this very question. We are look-

ing at fairly firm recommendations, but they are still far from perfect in my eyes.

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ATOMIC ENERGY CONTROL BOARD

KNOWLEDGE OF BOARD OF BURIAL SITES IN MANITOBA FOR RADIOACTIVE MATERIAL

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct my question to the Minister of Energy, Mines and Resources. In view of the report released by the Atomic Energy Control Board that burial sites of radioactive materials are located in eastern Manitoba, were officials of the Atomic Energy Control Board aware that burial of radioactive materials was taking place in the area of a Manitoba forestry reserve by the Manitoba Cancer Research Foundation and the Department of National Health and Welfare without the knowledge of the Atomic Energy Control Board and without following the regulations of that board relative to the burial of radioactive materials?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, if the hon. member wants a detailed listing of the events in chronological order I would be very pleased to get it for him.

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PENITENTIARIES

POSSIBLE CHANGES IN SECURITY ARRANGEMENTS FOR DANGEROUS INMATES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a very serious question to the Solicitor General. Are there to be any changes made in security at penitentiaries in respect of dangerous and violent criminal persons who appear now to have nothing to lose and everything to gain from jail breaks and the holding of hostages?

● (1430)

Hon. Warren Allmand (Solicitor General): Mr. Speaker, that is not true. They have a lot to lose by jailbreaks and hostage-taking. They can have another term of imprisonment imposed upon them and can have their parole eligibility put back several years, but despite that we are bringing in improvements and they will be announced tomorrow.

Mr. Woolliams: What have those dangerous and violent criminals who have been given life imprisonment to lose by a jailbreak or hostage holding?

Mr. Allmand: Mr. Speaker, they can lose the possibility of parole right now under the law. Some of them are eligible for parole after ten years and up to 20 years. The more they misbehave in prison and the more crimes they commit the longer that parole date is put back. If they had nothing to lose, then they would be prone to be even more difficult.

KNOWLEDGE OF SOLICITOR GENERAL OF REPORTS OF INMATES UPRISING—REASON FOR TRANSFERRING INMATES FROM BRITISH COLUMBIA TO NEW BRUNSWICK

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is for the Solicitor General. It is known that reports on an inmates uprising were circulating through the B.C. penitentiary for several weeks before last Thursday's hostage taking. Was the Solicitor General informed of these reports by prison management and, if so, what extra precautions were taken.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I was not advised. From my discussion with the Commissioner of Penitentiaries and the regional director, it does not seem that they were advised. However, as I stated in respect of an earlier question we now have an inquiry underway and hope to get to the bottom of this.

Mr. Friesen: Mr. Speaker, could I ask the Solicitor General why these prisoners were taken all the way to New Brunswick, rather than just to Prince Albert a thousand miles away?

Mr. Allmand: Mr. Speaker, in these circumstances there were three correctional officers held as hostages, and the request by the inmates was that they be transferred to Dorchester. We saw nothing extraordinary in that request. As a matter of fact, many people would think that Dorchester penitentiary is much worse than the B.C. penitentiary. So, if they wanted to go to Dorchester for a short while, we thought it was worthwhile to grant the request to save three lives.

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ENVIRONMENTAL AFFAIRS

PERMIT TO DOME PETROLEUM TO DRILL IN BEAUFORT SEA—DECISION OF DEPARTMENT

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I should like to direct a question to the Minister of the Environment. Last week the Minister of Indian Affairs and Northern Development indicated he would be consulting with the Minister of the Environment concerning the granting of a drilling permit to Dome Petroleum in the offshore of the Beaufort Sea. Would the minister advise if those consultations have been made, and would he also advise the House whether he is recommending the granting of such a permit in view of the report of his department concerning the tremendous environmental hazards in connection with that drilling permit?

Hon. Jean Marchand (Minister of the Environment): Mr. Speaker, I have discussed this with the Minister of Indian Affairs and Northern Development. Now, I think we have to continue discussions and perhaps have discussions in the cabinet because of the importance of the problem, but no decision has been taken yet.

Oral Questions

ALLEGED INADEQUACY OF PENALTY PROVISIONS IN LEGISLATION—POSSIBILITY OF CHANGE

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, because the present penalties provide a maximum fine under the Fisheries Act of $1,000 and $100,000 under the Arctic Waters Pollution Act, can the minister advise whether the House will be receiving the new penalty provisions prior to the granting of any permit in view of the complete inadequacy of penalties under the present legislation and also in view of the fact that there is no contingency plan presently in place in accordance with the report of the minister's department, for cleaning up in the Arctic.

Hon. Jean Marchand (Minister of the Environment): Mr. Speaker, I think the hon. gentleman would understand that there are two points we have to clarify before taking a decision; first, whether technology is advanced enough to allow a permit and second, if there should be a blow-out of some kind whether we have the facilities to really make a decent clean-up so that all the ecology is not destroyed. We are discussing those two points and have not reached a decision.

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BUSINESS OF THE HOUSE

POSSIBILITY OF NEW SESSION—INQUIRY AS TO DATE

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Prime Minister. In view of the gentle indication by the Speaker today that this session will set a new record, has the Prime Minister decided on the date of the new session so that we will have a Speech from the Throne debate in which we can discuss the state of the nation.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is still a considerable amount of legislation on the order paper. We see no advantage in having a Speech from the Throne at this time. I suggest that if the House leaders would expedite the present business we would be in a position to consider the question raised by the hon. member.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my supplementary to the Prime Minister is: will there be a cabinet shuffle or diminution of cabinet positions before that time?

Mr. Speaker: Order, please.

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HEALTH

REGULATIONS COVERING PEOPLE HANDLING FOOD IN RESTAURANTS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the increased alarm and fear people who eat in hotels and restaurants have of being served food infested with parasites, I should like to ask the minister what further controls or health certificates are being considered in respect of all people who handle food in such places?

[Mr. Marchand (Langelier).]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as the hon. member knows, Canada has a very extensive program of health screening of all immigrants coming into Canada, particularly with regard to contagious diseases. As a matter of fact, Canada has a more comprehensive program in that respect than the United States, Britain or France. Where the problem arises is in the case of non-immigrants, that is, people coming to Canada for short stays which, as the hon. member knows, number in the tens of millions every year. Both my department and the Department of Manpower and Immigration are currently looking at means whereby we can establish some kind of selective regulations. For example, there is the problem of controlling the 40 million visitors we get every year from the United States. The screening of non-immigrants is a difficult situation to regulate. We are working at it and I hope I will be able to report progress to the hon. member in the near future.

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PENITENTIARIES

ALLEGED DISSATISFACTION WITH POLICY FOR HANDLING MAXIMUM SECURITY PRISONERS—GOVERNMENT ACTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Solicitor General. In view of the fact that dissatisfaction and unrest over the handling of maximum security prisoners seems to be universal throughout the penitentiary system, which indicates that the problem lies not with any one institution or individual, can the minister tell us what new programs or policies he is putting into effect by way of general policy changes and improvements?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I would reject the suggestion that there is universal dissatisfaction in the penitentiary service over the handling of maximum security inmates. It is true that the Association of Correctional Officers and so on has voiced some opposition but, as I say, we will have to wait for the report of the inquiry to see exactly what the causes were for the most recent hostage-taking. But I would agree with the hon. member that the handling of maximum security inmates is a most difficult task. There are problems and we will announce some new proposals tomorrow in our peace and security package to deal with these problems.

Mr. MacKay: Mr. Speaker, I thank the minister for his answer. I should like to ask him by way of a supplementary, which he partly answered, when we can expect some concrete action on the part of the government to produce a maximum security system which is less barbaric to its inmates and more effective in protecting the rest of society. Will that be part of his improved program?

Mr. Allmand: That is an interesting goal, Mr. Speaker. Countries all over the world are seeking such an institution where you can combine humanity with security to a high degree. If the hon. member has any suggestions I would be pleased to look at them.

BRITISH COLUMBIA—ALLEGATION MR. CERNETIC DOES NOT HAVE SUPPORT OF PRISON OFFICERS

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my supplementary question is for the Solicitor General. Since it is obvious that there are major problems in British Columbia in light of the hostage-taking dramas of the past several months, would the Solicitor General tell the House exactly what is going on in British Columbia at the present time and why no question has been addressed concerning the management of the prison by Dragon Cernetic in view of the fact that he does not have the support of the prison officers.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I question whether he has or has not the support of his officials. It is true that certain members of the correctional staff voiced dissatisfaction with him but there are many others working in that penitentiary and in the penitentiary system as a whole who have great respect for Mr. Cernetic in the tough and demanding job he has. With regard to that history, I should point out to hon. members that we have been trying to close this penitentiary for several years. We have had great difficulty in getting sites for new institutions. It is only in the last six or seven months that we have found such sites and are able to go ahead with construction of new institutions.

● (1440)

Mr. Brisco: Mr. Speaker, my question is for the Solicitor General. In view of the fact that 171 employees of that prison voted against the management of the prison by Dragon Cernetic and do not endorse it, how can the minister make that statement? What is being done to deal with the problems of management at that penitentiary?

Mr. Allmand: That may be more evident once we have the results of the inquiry I set up.

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AIR TRANSPORT

DATE OF RESTORATION OF SERVICE TO MANITOBA AND SASKATCHEWAN

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Transport, following his visit to Brandon, Manitoba on Friday night, and his speech to the chamber of commerce there. Can the minister inform the House when he will be announcing the restoration of air service to that important region of Canada?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, as I informed the chamber of commerce in Brandon, I was expecting to see a reply from the government of Manitoba either today or tomorrow because the provincial minister informed me in Brandon that he had dispatched a reply to my inquiry some time ago about assistance. Manitoba and Saskatchewan might contribute by offering their service to these communities. I do not know if a reply from Saskatchewan is on its way. I had been awaiting those replies before taking the next step of putting forward specific proposals or deciding on another alternative.

Mr. Dinsdale: Mr. Speaker, in view of the fact that the western Manitoba region has been without air service for three years now, and also the fact that there is a brand new terminal waiting to be put to use, is the minister also considering the Transair proposal, the proposal of the designated regional carrier, to provide jet service into that area without subsidy?

Mr. Lang: I had discussions with the chamber of commerce about the alternative issue of a jet service for Regina, Brandon, Toronto, and I indicated to them that I had read with interest the decision of the Canadian Transport Commission on that subject. There would be some preliminary questions as to the appropriate carrier which might have to be settled in any case, but I certainly think it is an issue worth pursuing further.

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PENITENTIARIES

REQUEST FOR ASSURANCE NEW BRUNSWICK WILL NOT BECOME HAVEN FOR PRISONERS WHO TAKE HOSTAGES

Mr. Mike Landers (Saint John-Lancaster): Mr. Speaker, my question is to my favourite cabinet minister, the Solicitor General. In view of the fact that the prisoners who took three hostages are being transferred from British Columbia to New Brunswick, can the Solicitor General assure me that the province of New Brunswick will not become a haven for those individuals who tend to hide behind hostages?

Hon. Warren Allmand (Solicitor General): Yes, Mr. Speaker.

* * *

[*Translation*]

HEALTH

SPECIAL ALLOWANCE FOR DOCTORS IN RURAL AREAS—GOVERNMENT POSITION

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

Since remote areas, such as Gaspesia, Lake Saint-John, Abitibi and particularly the towns of Lebel-sur Quévillon, Chapais, Chibougamau and many others are experiencing constant problems in respect of the number of doctors required to meet the people's needs, could the minister advise the House whether he is considering the possibility of granting isolation premiums to encourage doctors to establish practice in remote regions?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I suggest to the hon. member that he is sitting in the wrong House, and that this type of question should be raised in the Quebec National Assembly, either by himself or by one of his colleagues.

Mr. Lambert (Edmonton West): Immigration holds them back. It rejects foreign doctors.

Mr. Caouette (Villeneuve): I would like to ask a supplementary, Mr. Speaker. Given the fact that the federal government is regularly spending funds in areas within provincial jurisdiction, like education—for example, the Secretary of State has announced a $250,000 subvention for teaching French in Ontario—could the minister tell the House whether he is prepared to propose to the provinces the establishment of an isolation premium program for doctors, with financial participation from the federal government to pay the cost of such a program?

Mr. Lalonde: Mr. Speaker, again I would urge the hon. member to examine my department's publications, which have been available for many years, where he would find that the federal government is sharing half the cost of medicare, including the premiums to which the hon. member was referring. So there is already a program for sharing expenses in this area. But I repeat once again that if the hon. member would like to pursue the matter further, he should have his colleague in Quebec City raise the matter there.

* * *

[*English*]

GRAIN

ASSISTANCE FOR FREIGHT COSTS ON FEED GRAIN—DATE OF DECISION

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is directed to the Minister responsible for the Canadian Wheat Board. In view of the promises made some two and a half years ago with regard to feed freight assistance as it pertains to the new feed grains policy, is the minister prepared to tell the House whether or not the government is going to make some move so far as feed freight assistance is concerned?

Hon. Otto E. Lang (Minister of Transport): I cannot predict exactly when that will happen.

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[*Translation*]

FINANCE

REQUEST FOR REMOVAL OF SALES TAX ON BUILDING MATERIALS

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, in view of the absence of the Minister of State for Urban Affairs, I shall put my question to the right hon. Prime Minister.

Can the right hon. Prime Minister tell the House whether he intends in the near future to remove the 5 per cent tax on building materials for non-profit-making housing corporations, even if they are already entitled to some kinds of subsidies?

Right Hon. P. E. Trudeau (Prime Minister): The hon. member is asking a budgetary question, Mr. Speaker, and he knows that the government does not as a practice announce tax changes in answer to questions.

[Mr. Lambert (Edmonton West).]

[*English*]

TRANSPORT

POSSIBLE DISCUSSIONS ON USE OF "MANHATTAN" TO MOVE OIL THROUGH NORTHERN WATERS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of Transport. Have there been any discussions directly with the minister or with officials of his department and Panarctic with regard to the use of the *Manhattan* for the removal of oil from northern areas?

Hon. Otto E. Lang (Minister of Transport): I have had no such discussions. I would have to check whether there had been any discussions of that sort.

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[*Translation*]

EXTERNAL AFFAIRS

REQUEST FOR REPORT ON HOSTAGES AT BEIRUT EMBASSY

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I want to put a question to the Secretary of State for External Affairs.

[*English*]

Would the minister inform the House and the country about the latest reassuring developments that have taken place at the Canadian mission in Lebanon in the interval that has elapsed since he last spoke about the subject?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, since my reply to the question asked by the hon. member, I have had information that the embassy in Beirut has been liberated and all the hostages have been released unharmed.

Some hon. Members: Hear, hear!

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NATIONAL DEFENCE

CONTRACT WITH LOCKHEED FOR LONG-RANGE PATROL AIRCRAFT—REQUEST FOR REPORT ON NEGOTIATIONS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of National Defence and it relates to the recent difficulties affecting the Lockheed company and the investigations by the minister with respect to their capacity to deliver the Orion aircraft for nearly $1 billion ordered for the Canadian armed forces. Can the minister give a progress report on that and indicate whether the initial date of delivery is still holding up and whether in fact the Orion aircraft are still on order with the Lockheed Company?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the government decided in principle to purchase from Lockheed but, as has been explained a number of times, we are experiencing difficulties in negotiating the financing and this is holding up the final signing of the contract. The negotiations, however, are continuing.

Mr. MacDonald (Egmont): Can the minister also indicate that the various aspects with respect to the methods of awarding contract and the pay-offs that apparently have been uncovered by congressional investigations have in no way affected any relationship that was established between this government and the Lockheed Company?

Mr. Richardson: We have assured the House on earlier occasions that there was no payment of commissions or any other kind of payment to Canadians. I did indicate that the difficulties the Lockheed Company was experiencing might have weakened the company's financial position, but there has been no evidence that this is to a degree that will prevent them from continuing the contract, provided we can get over the difficulties I mentioned earlier.

* * *

FINANCE

POSSIBILITY OF REDUCTION OR REMOVAL OF EXCISE TAX ON GASOLINE

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Finance. Will he be removing or reducing the special excise tax on gasoline as the price of wellhead oil has moved up in July, a tax which was established to pay for off-shore oil supplies, or does he intend to make it a permanent tax feature?

Hon. Donald S. Macdonald (Minister of Finance): A fiscal question of that kind would have to be dealt with in the context of the budget.

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CANADIAN BROADCASTING CORPORATION

ALLEGED INADEQUACY OF FRENCH LANGUAGE COVERAGE OF CONSERVATIVE CONVENTION

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, my question is for the Secretary of State who has just left the chamber, but perhaps in his absence someone else will speak for him. It is supplementary to the question posed last Thursday by the hon. member for South Shore who requested radio coverage for the past weekend's events. Has the Secretary of State been made aware of complaints concerning the inadequacy of French language television coverage of the Progressive Conservative Convention? Is it the intention of the minister to remind the publicly-financed Canadian Broadcasting Corporation of their primary responsibility to report in both official languages on public affairs of national interest?

● (1450)

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I certainly would agree with the premise that, in fact, the corporation has a responsibility to report the important events in both official languages on both channels. I was rather glued to the English channel, so I was not aware of the deficiency of the French but I shall certainly look into it.

IMMIGRATION

GOVERNMENT EFFORTS TO DEPORT DANG VAN QUANG— REQUEST FOR REPORT

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the fact that Dang Van Quang has been living in Canada under a deportation order for going on eight months, seven months at least, may I ask the minister what steps he and his department have taken to deport Quang and whether the department has been in direct contact with the new regime in South Viet Nam?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think I have already described the steps. There have been negotiations on behalf of Mr. Quang with at least one country and there are still pending discussions as to whether that country might or might not accept him as an immigrant. I have pressed for an official decision about this. I expect to have it soon, and then we will make the relevant decision on whether he goes there or back to South Viet Nam.

Mr. Blackburn: A supplementary question, Mr. Speaker. I should like to ask the minister if that other country, whichever it is, refuses to take Quang will the minister then carry out his responsibilities under the act and deport Quang to South Viet Nam?

Mr. Andras: Mr. Speaker, if I do so, it will be a disappointment to the hon. member because he will have to find another issue on which to make himself heard.

* * *

FRESHWATER FISH MARKETING CORPORATION

PROPOSAL THAT FISHERMEN IN LAKE WINNIPEG AREA BE PERMITTED TO SELL CATCH OUTSIDE CORPORATION

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I have a question for the Minister of Fisheries concerning the Freshwater Fish Marketing Corporation. In view of the fact that the co-operative fisheries of Manitoba are meeting in convention for three days this week, would the minister inform the House whether he intends to allow those fishermen fishing on Lake Winnipeg to have the option of selling their fish outside the Freshwater Fish Marketing Corporation similar to the arrangement in the Lake of the Woods area of Ontario?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I have not seen representations on this issue at the present time. I would remind the hon. member the advantage of the corporation has been to protect fishermen from being picked off one by one by those in the brokerage business.

[*Translation*]

FISHERIES

INQUIRY AS TO AGREEMENT TO PROTECT SALMON SPAWNING AREAS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, if my voice will permit me, I would like to put a question to the Minister of State (Fisheries). Wednesday last, as recorded on page 11050 of *Hansard* the Secretary of State for External Affairs (Mr. MacEachen) in reply to my question gave the following answer:

. . . with respect to separating out the fisheries aspect of the Law of the Sea conference. Certainly, it would be within Canada's objectives to seek a separate fisheries treaty . . .

He also suggested that this could be done by order in council. I should like to ask the following question: I would like to know whether the orders in council are ready to be promulgated and if so, whether they state our claims concerning the Canadian rights to salmon spawned in our interior waters.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I presume that the orders in council referred to by the hon. member are those which would come into force the day when Canada would notify that the 60-day period preceding the extension of the Canadian jurisdiction takes effect.

If such is the case, I would say to him that those orders in council exist. We only have to decide the date on which they would become effective if such decision has not yet been taken.

* * *

[*English*]

INDUSTRY

POSSIBILITY OF LEGISLATION TO FORCE PRODUCTION OF AUTOMOBILE WHICH WILL USE LESS GASOLINE

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Because of the fact the department spent $20,000 trying to prove that the heavier cars take more—may I put it this way? Heavier cars cost more money and use more gasoline. Since this is an obvious observation, we have already concluded, may I ask the minister whether he will introduce legislation which will in fact try to prove—

Some hon. Members: Oh, oh!

Mr. Korchinski: Wait a minute. Wait a minute. Does he intend to prove that it is necessary to have the public buy smaller cars but that the manufacturers have to manufacture cars that will—

Some hon. Members: Oh, oh!

Mr. Korchinski: —will produce mileage performance of the kind that the average citizen wants rather than the type of performance that the government wants. In other words—

Some hon. Members: Hear, hear!

Mr. Korchinski: In other words to prove that—

[Mr. LeBlanc (Westmorland-Kent).]

Mr. Speaker: Order, order.

Mr. Korchinski: In other words, will the government buy smaller cars rather than more conventional cars? Will the minister introduce legislation to force the manufacturers of cars to give the consumer a car that will give higher mileage per gallon?

An hon. Member: Sit down.

Mr. Speaker: Order. Order, please.

Mr. Korchinski: I am sorry, Mr. Speaker.

Mr. Speaker: Would the hon. member resume his seat? The hon. member for Edmonton Centre.

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MULTICULTURALISM

PROPOSED MULTILINGUAL BROADCASTING POLICY—GOVERNMENT POSITION

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of Labour in charge of multiculturalism. In light of the minister's expressed hope that the government would take increased steps toward multilingual broadcasting within the context of a bilingual framework, can the minister inform the House if he has raised this issue in cabinet and indeed will a multilingual broadcasting policy be presented as part of the new "emphasis" of multicultural policy?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, it is not necessary to raise the matter in cabinet. The power of the CRTC is quite explicit in this regard and I am talking to that agency with respect to it.

● (1500)

Mr. Malone: Mr. Speaker, a point of order. I have hesitated to mention this matter, but I think it is something that needs to be brought to your attention. In asking questions in the chamber, one of the problems that faces members of the opposition is that there are at least two members of the Privy Council who consistently are away from their seats. I can appreciate and have full respect for the fact that ministers do have to be away sometimes, but when a minister drifts in and out of the chamber it makes it impossible to catch the attention of the Chair. I draw this to the attention of the Chair: The Secretary of State (Mr. Faulkner) and the Minister for Indian Affairs and Northern Development (Mr. Buchanan) consistently come into the chamber, sit in their seats, then go out of the House again. This makes it almost impossible for hon. members to attract the attention of the Chair when the ministers are in the House and put a question to them in the question period.

Mr. Crouse: Mr. Speaker, I rise on a question of privilege. Some time ago the hon. member for Vaudreuil referred to a question that had been, as he said, raised by the hon. member for South Shore. I wish to inform the hon. member through you, Mr. Speaker, that the subject matter

to which the hon. member referred was not raised by me at any time in this House.

ROUTINE PROCEEDINGS

[*English*]

ANTI-INFLATION APPEAL TRIBUNAL

TABLING OF RULES OF PROCEDURE FOR APPEALS

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I should like to table, in both official languages, the Anti-Inflation Appeal Tribunal rules of procedure for appeals.

* * *

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 3,301, 3,528, 3,533, 3,536, 3,537, 3,538, 3,541, 3,545, 3,547, 3,548, 3,549, 3,580, 3,666, 3,688, 3,770 (supplementary), 3,875, 3,882, 3,889, 3,951, 3,993 and 4,073.

[*Text*]

PANARCTIC OIL—PURCHASE OF OIL TANKERS

Question No. 3,301—**Mr. Forrestall:**

1. Is the Minister of Transport aware of the statements in the press attributed to the President of Panarctic Oil during the week of October 20 to 24, 1975 indicating the possibility that Panarctic Oil will purchase three Scandinavian crude oil tankers for transport of Arctic oil to market should that be feasible?

2. Is the Minister aware of the extent of participation in Panarctic Oil by the government and its agents and, if so, to what extent is this participation?

3. Has the Minister examined the implications of going outside Canada for such vessels in terms of the long-term viability and health of the Canadian ship-building industry and trade balance and (a) if so, what conclusions have been reached (b) if not, for what reason?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): 1. Yes, I am aware that a newspaper report on October 21 of the Panarctic oil strike at Cameron Island also referred to exploratory discussions with Scandinavian shipping companies.

2. Yes, I am aware that the Canadian Government has a 45 percent interest in Panarctic Oil. I am also aware that the President of Panarctic Oil discussed the transportation of oil out of the Arctic with a major Canadian ship operator about a month ago. As a result of these discussions being reported to my officials, an interdepartmental group has been meeting to assess the broad transportation requirements and benefits from oil movement by ship from the high Arctic. Preliminary discussions with Panarctic Oil have taken place and a meeting is scheduled for November to define more precisely the project especially as it relates to shipping, but nevertheless including all other aspects of the system to move oil from Cameron Island.

3. No, we have not yet examined the implications of going outside Canada for Arctic ships since the major emphasis is on ensuring the participation of Canadian ship operators, designers and builders.

PEI COMPREHENSIVE DEVELOPMENT PLAN—PHASE 2

Question No. 3,528—**Mr. MacDonald (Egmont):**

With reference to the recent agreement on Phase 2 of the PEI Comprehensive Development Plan, did it include costing arrangements for the full five years of Phase 2 and, if not, for what reason?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: No. Under the economic circumstances prevailing at the time, two-year costing arrangements were considered appropriate.

PEI COMPREHENSIVE DEVELOPMENT PLAN—PHASE 2

Question No. 3,533—**Mr. MacDonald (Egmont):**

1. What are the terms of reference for PEI of the Small Farm Development Corporation?

2. Do its activities significantly overlap those of the PEI Land Development Corporation?

3. Has any consideration been given to awarding increased funding to the Land Development Corporation in lieu of Small Farm Development Corporation activities in PEI?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: 1. There is no Small Farm Development Corporation on P.E.I. However, the Small Farm Development Program is a program of Agriculture Canada and information related to this program can be obtained from that Department.

2. Not applicable.

3. Not applicable.

PEI COMPREHENSIVE DEVELOPMENT PLAN—PHASE 2

Question No. 3,536—**Mr. MacDonald (Egmont):**

1. With reference to the recent agreement on Phase 2 of the PEI Comprehensive Development Plan, did the private sector become as fully involved in Phase 1 as originally foreseen and, if not, for what reason?

2. Does the government believe, as stated in Schedule "C", that the private sector will in fact become more involved under Phase 2 and, if so, for what reason?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: 1. Yes.

2. Yes. Additional emphasis is being placed on private sector development.

Order Paper Questions

PEI COMPREHENSIVE DEVELOPMENT PLAN—PHASE 2

Question No. 3,537—**Mr. MacDonald (Egmont):**

With reference to the recent agreement on Phase 2 of the PEI Comprehensive Development Plan, did the Joint Advisory Board approve the termination of funding for the Rural Development Council and, if so (a) on what date (b) for what reason?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: The Joint Advisory Board was not asked to approve the termination of funding for the R.D.C. (a) Not applicable. (b) Not applicable.

PEI—COMPREHENSIVE DEVELOPMENT PLAN—PHASE 2

Question No. 3,538—**Mr. MacDonald (Egmont):**

1. With reference to the recent agreement on Phase 2 of the PEI Comprehensive Development Plan, what were the names of all groups and organizations in the Province of PEI consulted as part of the drafting process for the new agreement?

2. What general programme of financial assistance is available and what specific grants were made to enable groups in PEI to prepare submissions regarding the Phase 2 agreement?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: 1. Information not available.

2. No programme administered by DREE is available to enable groups in P.E.I. to prepare Submissions regarding the Phase II Agreement.

PEI COMPREHENSIVE DEVELOPMENT PLAN—PHASE 2

Question No. 3,541—**Mr. MacDonald (Egmont):**

With reference to the recent agreement on Phase 2 of the PEI Comprehensive Development Plan, what specific arrangements has DREE made to ensure citizen input into the upcoming negotiations on costing arrangements for the final three years of Phase 2?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: None. Costing arrangements are a matter of negotiation between the Federal and Provincial Governments.

PEI COMPREHENSIVE DEVELOPMENT PLAN—PHASE 2

Question No. 3,545—**Mr. MacDonald (Egmont):**

With reference to the agricultural sector of Phase 2 of the PEI Comprehensive Development Plan, what progress has been made on the development of the Skill Training Programme?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: There is no skill training program so identified in the agricultural sector of Phase II. However, methods to assist young and new farmers to develop their skills are being prepared for implementation in April, 1976.

[Mr. McIsaac.]

PEI COMPREHENSIVE DEVELOPMENT PLAN—PHASE 2

Question No. 3,547—**Mr. MacDonald (Egmont):**

With reference to the agricultural sector of Phase 2 of the PEI Comprehensive Development Plan, have any studies been made concerning the (a) multiplier effect of agriculture on the PEI provincial economy (b) long-range market trends for North America and their relation to the PEI agricultural potential (c) relative beneficial impact of monies spent in the various agricultural sector programmes and, if so (i) who did them (ii) on what date (iii) for whom were they done (iv) what were the major findings and/or recommendations (v) how are the results of these studies reflected in the agreement?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: No studies have been made by DREE in respect of the Prince Edward Island Comprehensive Development Plan concerning (a), (b) or (c).

PEI COMPREHENSIVE DEVELOPMENT PLAN—PHASE 2

Question No. 3,548—**Mr. MacDonald (Egmont):**

With reference to the recent agreement on Phase 2 of the PEI Comprehensive Development Plan and the decision to continue the School Consolidation Programme (a) has the Programme been evaluated and, if so (i) by whom (ii) on what date (iii) what were the main recommendations (b) were any groups representing either parents or teachers consulted prior to the decision to continue the Programme and, if so (i) what were the names of the groups consulted (ii) with what person or persons representing DREE or the Joint Advisory Board did these groups have contact (c) what are the specific indicators that have been or will be employed by DREE and the Joint Advisory Board in evaluating the School Consolidation Programme?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: (a) Yes. (i) Verner Smitheram and Robert Mahen. (ii) 1974. (iii) 1. The province should continue with its plans for consolidation and new construction to replace inadequate school buildings. 2. Any new building or any major renovation of existing buildings should be planned in consultation with those who must work in them—teachers, administrators, specialists, non-instructional personnel, and students. 3. Larger secondary schools should be built in the province with sufficient facilities to provide for the variety of programs required to meet the educational needs, interests, and abilities of all high school students. (b) Not by DREE. (i) Not applicable. (ii) Not applicable. (c) A number of indicators will be used in evaluating the school consolidation program. These will include—the quality of education, the proportion of students who complete the grades, the flexibility of the education system, and the relative rating of these indicators to other provinces and the Canadian figures.

PEI COMPREHENSIVE DEVELOPMENT PLAN—PHASE 2

Question No. 3,549—**Mr. MacDonald (Egmont):**

With reference to the recent agreement on Phase 2 of the PEI Comprehensive Development Plan, what provisions are there for thorough and independent evaluation of the Phase 2 sectoral strategies and programmes?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows:

Evaluation of the Plan is an ongoing function of management. Independent evaluations are provided only when requested by management.

CMHC—LOAN TO QUEBEC HOUSING CORPORATION

Question No. 3,580—**Mr. Lambert (Bellechasse):**

1. Did the Central Mortgage and Housing Corporation grant a loan of $30,193,489 to the Quebec Housing Corporation for 38 housing projects in the Province of Quebec and, if so (a) were some projects related to the municipalities of Saint-Damien and Saint-Vallier in the Constituency of Bellechasse (b) what was the rate of interest (c) for how long (d) will repayments be made (i) monthly (ii) yearly and, in each case, in what amounts?

2. Did the Quebec Housing Corporation reach an agreement with these municipalities in regard to the housing projects?

3. Did the municipalities have financial agreements with the Quebec Housing Corporation and, if so, what are they?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised as follows by Central Mortgage and Housing Corporation: 1. To November 30, 1975, CMHC made 31 loans to Quebec Housing Corporation, to finance the construction or acquisition of 1,388 dwelling units and 780 hostel beds, totalling $39.9 million. (a) One of these loans was made for a project in the municipality of Saint-Damien, for $537,863 to finance 30 units, and another loan was made for a project in the municipality of Saint-Vallier in an amount of $292,473, for 20 units. (b) The rate of interest is 10⅜ per cent. (c) The loans will be repaid over a term of 50 years. (d) Quebec Housing Corporation will make annual repayments of principal and interest in an amount of $57,617.24 for the project in Saint-Damien and $31,330.44 for the project in Saint-Vallier.

2 and 3. Information on agreements between Quebec Housing Corporation and the municipalities in question should be obtained from Q.H.C.

BANK OF CANADA

Question No. 3,666—**Mr. Lambert (Bellechasse):**

1. On what date was the Bank of Canada established and what is its main function?

2. Does the Bank have its own assets and, if so (a) what are they (b) what is their present value?

3. With what reserves did it start?

4. Does the Canadian monetary system depend on the Bank and, if so (a) what was the Canadian money supply as of January 1, 1975 (b) what fraction was owned by the Bank (c) of what did it consist?

5. (a) On the same date, what financial institutions, such as chartered banks, held the other part of the Canadian money supply (b) for what dollar value in each case?

6. Does the Bank have the authority to establish interest rates in Canada and, if so, is it after consultation with the Minister of Finance?

7. What authority does the Governor of the Bank have on the Canadian monetary policy?

8. What is the percentage of reserves that chartered banks must maintain with the Bank to cover their clients' credit in the form of deposit?

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): 1. The Bank of Canada commenced operations on March 11, 1935. Its main function is set out in the preamble to the Bank of Canada Act.

2. Yes. (a) Mainly securities issued by the Government of Canada. A statement of assets and liabilities is published for each Wednesday and for each month-end in the form prescribed by the Bank of Canada Act. (b) As at January 31, 1976, $10,399,911,420.

3. At the official commencement of business on March 11, 1935, the assets of the Bank of Canada totalled $185,455,000 of which $70,441,000 was accounted for by international reserve assets of a kind now held by the Exchange Fund Account of the Minister of Finance.

4. By means of its control of the cash reserves of the chartered banks, the Bank of Canada is able to regulate the growth of the Canadian dollar liabilities of the chartered banking system. (a) Currency outside banks and demand deposits at chartered banks, $15,772 million; Currency outside banks and total Canadian dollar deposits at chartered banks, excluding Government. of Canada deposits, $57,442 million; Currency outside banks and total Canadian dollar deposits at chartered banks, including Government of Canada deposits, $62,124 million. (b) None. (c) See (a).

5. (a) and (b). Bank deposits, which constitute the largest part of the money supply, as defined, are liabilities of the banks and banks do not typically hold significant amounts of one another's deposits. The total held by non-bank financial institutions is not available. The great bulk of the money supply is owned by the general public.

6. The Bank of Canada has the authority to set its own lending rate, the Bank Rate, which is the minimum rate at which it is prepared to make advances. The operations of the Bank have an indirect but significant influence on other interest rates in Canada. See also 7 below.

7. The Governor is the chief executive officer of the Bank of Canada. The Bank of Canada Act places the responsibility for the formulation and execution of monetary policy on the Bank. Section 14(1) of the Act requires that there be regular consultation between the Minister of Finance and the Governor of the Bank of Canada on monetary policy and on its relation to general economic policy. Section 14(2) states: If, notwithstanding the consultations provided for in subsection (1), there should emerge a difference of opinion between the Minister and the Bank concerning the monetary policy to be followed, the Minister may, after consultation with the Governor and with the approval of the Governor in Council, give to the Governor a written directive concerning monetary policy, in specific terms and applicable for a specified period, and the Bank shall comply with such directive. Section 14(3) requires the publication of any such directive. No directives have been issued. In the absence of a directive the Governor must accept responsibility for the monetary policy followed by the Bank. At the same time the Government's power to issue a directive means that it must accept ultimate responsibility for monetary policy.

8. Under Section 72 of the Bank Act the chartered banks are required to maintain cash reserves in the form of notes of and deposits in Canadian currency with the Bank of Canada equalling not less on average during any half-month than 12 per cent of Canadian dollar demand deposits and 4 per cent of Canadian dollar notice deposits. Under Section 72(4) of the Bank Act and Section 18(2) of the Bank of Canada Act the chartered banks are required to hold secondary reserves in the forms therein specified. At

the present time the requirement is that these reserves be not less on average during any month than 5½ per cent of Canadian dollar deposit liabilities.

VOLUME OF CURRENCY AND DEMAND DEPOSITS

Question No. 3,688—**Mr. McCleave:**

1. What factors are used to determine the supply of currency and demand deposits put into circulation (a) who makes such decisions (b) how often are they made (c) who has the ultimate responsibility for such decisions?

2. For each year since 1968, by percentages, how much has the (a) gross national product (b) supply of currency and demand deposits increased?

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): 1. The control of the money supply (one definition of which is the combined total of currency outside banks and demand deposits at chartered banks) is a key element in monetary policy. It is based on a broad and continuing assessment of the functioning of the economy, the economic outlook, and the historical relationship of the money supply, as defined, to the trend of gross national expenditure. (a) The Bank of Canada. See also (c) below. (b) The Bank of Canada reviews its monetary policy continuously. (c) Section 14(1) of the Bank of Canada Act requires that there be regular consultation between the Minister of Finance and the Governor of the Bank of Canada on monetary policy and on its relation to general economic policy. Section 14(2) states: If, notwithstanding the consultations provided for in subsection (1), there should emerge a difference of opinion between the Minister and the Bank concerning the monetary policy to be followed, the Minister may, after consultation with the Governor and with the approval of the Governor in Council, give to the Governor a written directive concerning monetary policy, in specific terms and applicable for a specified period, and the Bank shall comply with such directive. Section 14(3) requires the publication of any such directive. No directives have been issued. In the absence of a directive the Bank of Canada must accept responsibility for the monetary policy it follows. At the same time the Government's power to issue a directive means that it must accept ultimate responsibility for monetary policy.

2.

	Annual percentage increases in:	
	Value of gross national product	Currency and demand deposits*
1968	9.3	4.4
1969	10.0	7.4
1970	7.4	2.3
1971	9.1	12.8
1972	11.2	14.0
1973	15.9	14.4
1974	17.0	9.7
1975	n.a.	13.8

* Annual averages of currency in circulation outside banks and chartered bank Canadian dollar demand deposits.

[Mr. Trudel.]

AIR CANADA—COST OF INQUIRY CONDUCTED BY HON. W. Z. ESTEY

Question No. 3,770—**Mr. McKenzie:** (Supplementary)

1. What was the total cost of the Air Canada Inquiry conducted by the Honourable W. Z. Estey, including the printing costs of the report in both official languages?

2. What was the total remuneration paid to the Commissioner?

3. What are the names of each member on the Commission and the remuneration received by each?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Transport Canada advises as follows: Supplementary Information: 1. $408,178.80.

2 and 3. See answers in *Hansard* No. 119, page 10296 of January 26, 1976.

ELECTRONIC LISTENING DEVICES

Question No. 3,875—**Mr. Bawden:**

1. Has any department or Crown corporation purchased electronic listening devices or surveillance equipment during the past five years and, if so, which departments?

2. What was the dollar expenditure for surveillance equipment during each of the past five years?

3. Did the amount of expenditure increase during each of the preceding years and, if so, for what reason?

Hon. Mitchell Sharp (President of the Privy Council): This reply is made on the understanding that the electronic listening devices referred to in the question are the kind defined in the Protection of Privacy Act. The Protection of Privacy Act sets out the exceptional circumstances in which interception of communications and use of electromagnetic, acoustic, mechanical or other devices may be authorized. The Act is adhered to closely. It is considered necessary to decline to provide information which might adversely affect investigational procedures, except as required by law.

MINISTER OF TRANSPORT—FLIGHT TO CALGARY, NOVEMBER 23, 1975

Question No. 3,882—**Mr. Beatty:**

1. Did the Minister of Transport travel to Calgary on Grey Cup Day, November 23, 1975 by government aircraft and, if so, was it on official government business?

2. At what time did (a) the Minister arrive in Calgary (b) his aircraft leave?

3. From what point did the Minister's flight originate and where did it terminate?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): 1. Yes.

2 (a) 10:40; (b) 23:25 (Note: Times are Mountain Standard Time).

3. The flight originated from and terminated at Ottawa.

HIDDEN RESERVES OF CHARTERED BANKS

Question No. 3,889—**Mr. Lambert (Bellechasse):**

What are (a) the amounts of hidden reserves on which no tax was paid over the past five years in the case of (i) each chartered bank (ii) all chartered banks (b) the names of the banks?

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): The chartered banks and other businesses which extend credit are exposed to losses from bad or doubtful debts and to depreciation in the value of assets and maintain contingency reserves to meet such losses. The banks are permitted to set aside amounts from pre-tax earnings, within limits prescribed by the Minister of Finance which relate such amounts to the level of assets at risk, for the purpose of maintaining General Appropriations for Losses. Prior to the enactment of the present Bank Act at the time of the last decennial revision, the banks included such appropriations in their balance sheets as deductions from related assets. These deductions were frequently referred to as "hidden" or "inner" reserves. Since 1967 the banks have been required to disclose these reserves on the liability side of their balance sheets as "Accumulated Appropriations for Losses". Further disclosure is made through the Statement of Accumulated Appropriations for Losses which analyzes changes in the appropriations accounts. Since 1967 the permitted maximum of General, or pre-tax, Appropriations has been reduced twice. This has meant that, with few exceptions, the larger banks have not been able to add to their General Appropriations from pre-tax earnings. The additions to General Appropriations from pre-tax earnings over the past five years by each bank are tabulated below:

Transfers From Pre-tax Earnings to General Appropriations
($ millions)

	1971	1972	1973	1974	1975
Bank of Montreal	—	—	12.3	—	—
Bank of Nova Scotia	—	—	—	—	6.2
Toronto-Dominion Bank	—	—	14.0	—	2.0
Provincial Bank	2.5	2.3	4.2	4.0	7.6
Canadian Imperial Bank of Commerce	—	—	—	—	—
Royal Bank	—	—	7.0	—	—
Banque Canadienne Nationale	2.8	7.0	10.0	8.0	12.6
Mercantile Bank	.2	.3	.4	.6	5.1
Bank of B. C.	.5	.2	.5	1.1	1.0
Unity Bank	—	—	—	—	—
Total	6.0	9.8	48.4	13.7	34.5

PASSENGERS USING CANADIAN PACIFIC RAILWAY TRAIN

Question No. 3,951—**Mr. Fairweather:**

How many passengers used the Canadian Pacific Railway train from Saint John, New Brunswick to Montreal in (a) 1973 (b) 1974 (c) 1975?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): The Canadian Transport Commission advises as follows: (a) 1973, 37,847; (b) 1974, 38,379; (c) 1975, 29,973*

* Records not available for months of August and December.

Order Paper Questions

DEPARTMENT OF NATIONAL REVENUE—MOVING CONTRACTS

Question No. 3,993—**Mr. Cossitt:**

1. With reference to the answer to Question No. 3,788, to the effect that the Department of National Revenue awarded $210,000 in moving contracts to Crismar Enterprises of Ottawa without the calling of tenders, what are the reasons that tenders were not called?

2. Is the Department now calling tenders on such contracts and (a) if so (i) on what date did such procedure commence (ii) what are the dates and complete details of all tenders called (b) if not, for what reason?

Hon. Jack Cullen (Minister of National Revenue): 1. On February 5, 1973, the Privy Council Office directed that the Connaught Building be transferred to them in order to convert it into a press centre to support the Commonweath Heads of Government Conference. Privy Council officials assumed control of the building the following day and requested that the furniture be removed immediately. The amount awarded Crismar Enterprises included the moving and storing of said furniture.

2. No. (a) Not applicable, (i) Not applicable, (ii) Not applicable. (b) All service contracts for moving, before and since this emergency, have been arranged and paid for by the National Capital Regional division of the Department of Public Works.

BILINGUALISM

Question No. 4,073—**Mr. Matte:**

1. Did the government grant money to the bilingualism programme in the Public Service and, if so, in what amount?

2. How many (a) English (b) French speaking persons attended courses given by the government?

3. In each case, what is (a) the name of the (i) school (ii) department involved (b) the number of students in each (i) school (ii) department involved (c) the number of teachers in each (i) school (ii) department involved?

Hon. Mitchell Sharp (President of the Privy Council): See all these questions: No. 45 answered December 11, 1974; No. 46 ordered March 5, 1975; No. 49 answered January 29, 1975; No. 118 answered October 21, 1974; No. 119 answered October 21, 1974; No. 120 answered October 21, 1974; No. 547 ordered March 24, 1975; No. 688 ordered January 22, 1975; No. 1,454 answered March 3, 1975; No. 1,746 ordered May 5, 1975; No. 2,106 ordered May 8, 1975; No. 2,107 ordered May 14, 1975; No. 2,373 ordered July 23, 1975; No. 2,374 ordered July 23, 1975; No. 3,858 ordered February 7, 1976.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions Nos. 3256 and 3945 could be made orders for returns, those documents could be tabled immediately.

Non-Canadian Publications

[*Text*]

PUBLIC SERVICE PERSONNEL

Question No. 3,256—**Mr. Orlikow:**

1. As of October 15, 1975, what is the (a) salary range (b) total number of employees in the Public Service in the classifications (i) DM 3 (ii) DM 2 (iii) DM 1 (iv) SX 4 (v) SX 3 (vi) SX 2 (vii) SX 1

2. For each department and agency, what are the names of all persons employed in each of the categories, and (a) on what date was the most recent salary increase approved by the Cabinet (b) on what date was the order signed authorizing the salary increase (c) to what date are the salary increases retroactive?

Return tabled.

GRANTS BY DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Question No. 3,945—**Mr. Matte:**

1. What was the total amount of grants made by the Department of Indian Affairs and Northern Development since the implementation of the Northern Mineral Exploration Programme?

2. For each such grant, what was the (a) object (b) amount (c) year (d) area concerned?

Return tabled.

* * *

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

TABLING OF REPORT OF COMMISSION RESPECTING PROVINCE OF SASKATCHEWAN

Mr. Speaker: It is my duty, pursuant to section 19 of the Electoral Boundaries Readjustment Act, Chapter E-2, Revised Statutes of Canada 1970, to lay upon the table of the House a certified copy of the Report of the Electoral Boundaries Commission for the Province of Saskatchewan, 1976.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISIONS ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed, from Thursday, February 19, consideration of the motion of Mr. Faulkner that Bill C-58, to amend the Income Tax Act, be read the third time and do pass.

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, when we adjourned the debate on this bill on Thursday I was addressing myself to the position taken by the hon. member for Vancouver-Kingsway (Mrs. Holt). Although I agree with the philosophy she expressed in her speech, I find it rather interesting, politically, that she should have compared the Secretary of State (Mr. Faulkner) with Adolf Hitler. To the best of my knowledge, the Secretary of State has not taken up painting; but there may be other grounds for leading the hon. member for Vancouver-Kingsway to infer that there is more than a passing similarity between this legislation and legislation introduced by the Chancellor of Germany in the 1930s. Let me repeat in part what the hon. member said in the House last Thursday. As reported on page 11134 of *Hansard*, she said:

—The Secretary of State announced in committee that he had a cultural plan for Canada. That has happened before, with nationalism as the driving force, the most notable example being the German cultural plan announced in *Mein Kampf* by Adolf Hitler.

I think that for this House to consider the Secretary of State in that light is going a bit far. Of course, I must defer to the hon. member for Vancouver-Kingsway who has greater knowledge of the hon. gentleman than I have. I was impressed with the hon. member's quotation from Somerset Maugham. Referring to that writer, she said, as reported on page 11136 of Hansard:

If a nation values anything more than freedom, it will lose that freedom . . . And the irony of it is that if it is money that is valued more than freedom, that too will be lost.

As I said on Thursday, the hon. member for Vancouver-Kingsway expressed sincerely her feelings about freedom, truth and censorship. I think her feelings might involve her in further difficulty with the government, particularly if it persists in proceeding with this bill despite the opposition of my party, the opposition in the government party and the opposition in the country.

Parts of this bill offend both the print and electronic media, particularly that part of the electronic media in which current developments have come to a halt. One can hardly expect new owners of cablevision stations to invest money in what were hitherto money-makers if, under the new rules as adumbrated by Mr. Justice Dubé, there will be no guarantee that the owners will retain their licences even if they conform with every last instruction of the CRTC—of which, heaven knows, there are enough instructions.

This government believes in confrontation. It is confronting a major industry of Canada with the idea that it, and it alone, knows what is best for Canadians to watch and to hear; that it, and it alone, can say how these businesses must be conducted. If there were a valuable mineral resource under some new town or under where a new town might be built or, say, under Kincaid, Saskatchewan, or under any other city built on the prairies, I would not give a nickel for the cablevision licence for that community under existing west coast rules affecting cablevision. All this means that capital investment and development will stop entirely. That will enable the government to move in and say that the private sector of the economy is not fulfilling its task, and take over cablevision stations that up to now have been flourishing.

To indicate the difficulties this government is creating for our industry, may I quote a short extract from a letter written by the Council of Forest Industries of British Columbia. The letter has to do mainly with *Time* and *Reader's Digest*. I do not always agree with the council, but I must concede that it knows about the forest industry of British Columbia and the likely effects of this bill on that industry. The first paragraph reads:

● (1510)

—Bill C-58 could be harmful to our industry's market position in the United States. We urged the government to withdraw the bill and reconsider the position it had taken.

In the penultimate paragraph it states:

As a member representing a British Columbia constituency, you will be well aware of the dependence of this province's forest industry on the U.S. market. Our members are increasingly concerned that U.S./Canadian relations are deteriorating and that this trend may jeopardize access to our principal market.

I wish to say a few words about Canada-U.S. relations and how they are deteriorating. Bill C-58 is an added rough spot in our relations. We seem determined to keep these relations in constant friction. To take dead aim at something like *Time* magazine is a sure way of ensuring that we do not return to the more tranquil days that we had before this government took office. Conditions have steadily become worse.

When this bill was first introduced, we were given to understand that "not similar content" was 50 per cent different. This was accepted by the trade, the industry and the House, including several members of this party. Our first reaction was that the bill was not all that bad. The ministry then decided to up the ante. They went to 60 per cent. When they found this was not an absolute bar to these two publishers, they went to 80 per cent. I understand the minister said they would go higher, if necessary, to make certain that *Time* magazine did not manage to continue publishing in this country. This is a very strange attitude for a government to take, singling out a magazine like this, saying it is the wrong thing for our innocent people to be reading. They say that if we prohibit their selling advertising to Canadians as a normal Canadian business expense, everyone will turn to read *Maclean's* magazine.

Last week I spoke for a few minutes about *Maclean's* magazine. That was the previous issue. I now have the February 23 issue: that is very fast delivery. I wish to tell hon. members about this magazine that is supposed to replace *Time* as a news magazine. As I stated last week, I am particularly interested in the foreign affairs section. This week's cover does not have a picture of the Prime Minister (Mr. Trudeau). The only similarity is that it looks like a mad scientist or doctor who bears resemblance to the Secretary of State.

The world news begins on page 37. Last week there were three pages. This week there are two articles in what is supposed to be a news magazine. In fact, it states on the front page, "Canada's Newsmagazine". The first is an article on Lockheed. It is headed, "The Lockheed revelations imperil the Dutch Monarchy". That is current. I wish to read a paragraph from the article:

Considering the global scope of Lockheed's pay-offs, it wasn't surprising that Canadian plans to spend $950 million for 18 Lockheed Orion long-range aircraft were frozen pending the outcome of emergency talks between defence minister James Richardson and the U.S. aircraft manufacturer. There were fears that Lockheed might not be able to complete the deal although Richardson stressed there was "no question" of any Canadian official being involved in the scandal.

The Minister of Supply and Services (Mr. Goyer) said that was not the case. He said the only problem was long-term financing. It is nice to see Canada mentioned as a country of the world, but the story does not quite give the picture of actual events. The second article is, "Leonid Brezhnev: a plodder's progress". It is a laudable article on Brezhnev. However, that is all the world news: there is nothing other than articles on Lockheed and the dictator of Russia. There is an enchanting article about young people. It concerns the hon. member for Spadina (Mr. Stollery). This is typical of what we will have to get used to if we are to have *Maclean's* as our news magazine. It states that the hon. member for Spadina has been moonlighting as a part-time cab driver. I admire him for this activity. He is getting out to meet the people. Another quote with which I agree, and the hon. member must have said this to the reporter because it is in quotes, is as follows:

"You get disconnected in Ottawa," he says. "Cab driving teaches you the value of a dollar."

I suggest that the entire front bench take up cab driving to learn the value of a dollar.

"They don't have a sense of value here (in Ottawa). They don't know what a dollar is."

That is true. However, it then goes on with typical *Maclean's* slush. It refers to the hon. member taking a January walking trip to Central America's mosquito coast, and visits to the close friend who works for France's distinguished Folies Bergère. The article concludes:

"In Ottawa," he complains, "all you can do in winter is skate and that'll freeze your ass off."

That is the kind of cute article *Maclean's* likes to publish. It makes a Liberal look favourable and then ends up with a crude expression. This is one reason that magazine is unable to compete with *Time* as far as readership in Canada is concerned. I wish to quote from a couple of letters I have received from constituents who are concerned that they will not be able to continue buying and enjoying their favourite magazine. The first is from a doctor. It reads:

Dear Sir:

As my only direct representative in our federal government, I am appealing to you to use your utmost effort to oppose the government's intention to amend the Income Tax Act, which may very seriously affect the Canadian edition of the *Reader's Digest*.

I have been a constant reader of this magazine for over 25 years, and have always considered it to be primarily Canadian, as opposed to any other foreign publication. During these years I have had occasion, for somewhat extended periods, to read the English edition. No one would say that this was an "American" magazine any more than the Canadian edition is in that category.

Quite apart from the impressive statistics of the contribution to the economic and cultural life of Canada which the *Reader's Digest* has contributed, surely the impetus of the hundreds of thousands of readers can only further emphasize its importance in Canada. No other Canadian magazine can take its place or even compete with its worldwide spectrum of interest.

I urge you to use your best judgment, your demonstrated fairness and persuasive powers to defeat this discriminatory legislation.

Yours sincerely,

Moreley R. Elliott, M.D.

P.S. The almost identical argument is applicable to the iconoclastic proposals re the Canadian edition of *Time* magazine.

● (1520)

I should like now to read from another letter. This comes from a place called Rose Manor, in Victoria. Rose Manor is a home for aged ladies. This is the kind of dear soul you

find so often in our constituency. The letter is addressed to me, and it reads:

Dear Sir:

I am writing in protest against the proposed revision of the Income Tax Act and asking you as my representative to vote against it. The bill has nothing to recommend it but the very unlikely prospect of diverting tax money from one magazine to others in an effort to assist the development of a domestic news magazine and to foster national integrity and self-expression. The *Reader's Digest* does not interfere in any way in this worthy object. It is undemocratic and unjust to discriminate against one firm because it attracts more advertisers, and to use dictatorship against millions of Canadians who admire the uniqueness of this magazine and enjoy reading it. Anyone has the right to compete with it if they wish.

The public is ignored completely. Have we no rights under this government? I am nearly 90 years old and one of the few pleasures I have left is reading something worth while. It is not right to put hundreds of Canadians out of work and to deprive Canada of millions of dollars in revenue. I urge you and all fair-minded people not to allow this bill to pass.

Sincerely,

(Mrs.) Caroline Barber.

I should like to read one paragraph from another letter I have received:

Please leave it as it is. It is clean, informative, full of local and international news. I know of no competition to it.

That is the thread which runs through my mail. Letter after letter tells me it is a favourite magazine which my correspondents would not know how to replace because they can find nothing in Canadian periodicals which is equivalent or which they really want to read. The harm which the bill would do to the Canadian economy should by now be apparent to all. Even so, the $30 million loss to the economy which would result if this bill were passed has not in my view been sufficiently emphasized. The publishing operation would, of course, go back to the United States, and postage on copies ordered would have to be paid by Canadians. Consequently, the money paid as postage for these magazines would be a direct loss to the Canadian government. I am greatly surprised that the present administration, of all governments, would wish to countenance a loss of revenue.

In closing, let me say this. Long ago there were two cities in ancient Greece—Sparta and Athens. Sparta was a commercial success, a militaristic dictatorship. Athens was a city where great attention was paid to culture. All the cultures of the ancient world were welcomed there. The educational institutions were the finest in the world. Today, Athens is visited by millions of travellers from every country who come to see the place where the free society of Athens raised monuments of such beauty in the way of statuary, architecture and tradition. It is still the envy of the rest of the world. By contrast, Sparta, which concentrated on other things, is hard to find: just a few hummocks on the ground is all that is left of a nation which neglected to pay attention to its culture, which tried to seal its people off from the rest of the world and keep them in isolation so that no comparison could be made between their nation and other nations. I believe Canada would prefer to choose the way of Athens rather than the way of Sparta. I urge all hon. members to support this amendment and to send the bill back to committee so as to allow much needed revisions to be made to it at that time.

[Mr. McKinnon.]

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I welcome the opportunity of entering the debate today. I do so because I have been tremendously concerned about the attitude which has been taken with respect to Bill C-58. Right from the introduction of this measure, or shortly thereafter, we became aware of the direction in which we were going, a direction very much in opposition to the one in which we felt the government should be moving at this time.

I pointed out at a previous stage of the debate that the government have constantly engaged in confrontation. It does not seem to matter what area they are dealing with; they are so confident they are right and that everyone else is wrong that they have never hesitated to use extraordinary means by which to maintain their point of view. This has been the case as far as Bill C-58 is concerned.

In the earlier stages of our discussion, as I am sure the country is aware, a great deal of attention was paid to representations which we had received from the people of Canada. I suppose every member of the House has received a great many communications calling attention to the fact that what the government was doing was not in the best interests of the country and, moreover, that it was contrary to the wishes of the Canadian people. It was made clear that the end result of the program in which the government was engaged would be a serious interference with the rights of citizens of this country to read what they wanted to read and not to be circumscribed in the material available to them.

As far as *Reader's Digest* is concerned, a great many members, including myself, have pointed out that this magazine is welcomed in most homes across the nation. It is informative, it is entertaining, it is a wholesome magazine, one we are not ashamed to leave on the table in our living room for anyone who enters to pick up and read—and that is something we hesitate to do with some of the periodicals which are published right here in Canada. I do not think we can take the attitude that anything which is printed or owned in Canada is a good magazine or a good periodical, nor can we take the position that what is published outside our borders is wrong or unsuitable.

For all these reasons, I believe we need to take a further hard look at this legislation. If the government will not do so, the opposition will, very possibly, have to carry on until members opposite understand the situation. It seems to me beyond reason that the Secretary of State (Mr. Faulkner) should take the position he is taking, determined to have his own way even though members of his own party stand and take exception to it. His own friends draw attention to the dangers that are involved, and ask him, in the name of common sense, to bring in changes to the legislation. As I say, it is almost beyond my understanding that the minister should refuse, even if he will not listen to members of the opposition, to accept the arguments of his own supporters with regard to what we believe is the right of Canadians to read whatever they wish.

● (1530)

Today, Mr. Speaker, I felt I had to stand and reaffirm my position on this measure. I had the opportunity of speaking on one of the motions introduced by the hon. member for Vancouver-Kingsway (Mrs. Holt) and also on some of the

motions introduced by my colleague, the hon. member for Surrey-White Rock (Mr. Friesen). Here, again, I believe their arguments were appropriate; they were direct, sane and sensible. It almost appears as if the minister is not willing to look at things that are sane and sensible, but is determined to pursue the course he has outlined regardless of the consequences or its effect on this country.

I do not believe we have the right to say, "This is the course we are going to take regardless of any other considerations. It is going to be this way, or none". Several years ago, when the Prime Minister (Mr. Trudeau) was minister of justice, he said—I cannot quote his exact words, but this is the gist of his message—that he looked upon his responsibility as minister of justice not only as being legal adviser to the government but as charting a course for Canadian society. I suggest that is exactly what he has been trying to do. There were those who at that time said he was just trying to find his way. I replied that he was not trying to find his way, that he knew where he wanted to go and was going there. We now have the Secretary of State following that course and supplementing the program that has been announced by saying, "As far as Canadian culture is concerned, this will be it, regardless what the people of Canada think about it. We are going this way, and they can like it or lump it". That position is entirely out of order as far as I am concerned.

Reader's Digest is a magazine that was greatly in the forefront of the discussions that were taking place. We now know that some changes were made. In some way the government and *Reader's Digest* came to the understanding that they would be able to continue to publish. I do not think the minister has ever outlined to us just what was said or what kind of agreement was reached. I think I ought also to say that while *Reader's Digest* was very definitely desirous of placing their arguments and the basis for their complaints before us, I do not think they did a very good job of coming back to us and saying, "Well, you fellows put up a pretty good fight, but now we want to tell you what the situation is". It seems to me that if the government will not tell us, *Reader's Digest* ought to state what the situation is and how they were able to fit in with the plan the government outlined.

We are glad that *Reader's Digest* will be able to continue publication. I like to have it in my home and I like to read it. Some say that it is not very deep. Just because it is not very deep is not to say that it is not enlightening, informative and pleasant reading. As I have said, I like *Reader's Digest* and I want it in my home, and I would like to know the basis of the understanding that was reached between the government and that magazine.

Some attention had been give the matter of the "80 per cent difference" provision. This seems to me a mysterious situation. In order to reinforce the position of the government, the Minister of National Revenue (Mr. Cullen) warned the industry, "If you don't measure up, or if you find some loophole to get past, we will soon introduce more legislation so you won't get past". It seems to me absolutely preposterous that a government should take this position regarding legislation presented to the House, legislation that has been opposed by members of the opposition as well as supporters of the government.

Non-Canadian Publications

We have before us a measure that has eliminated *Time* magazine. Here, again, if people want to read *Time* magazine and have a Canadian section in it, I cannot see why in the world they should not have the privilege of doing so. But, again, the axe has fallen. We are now finding other so-called Canadian magazines moving in which have no appeal at all to the broad mass of the Canadian people, yet hope to take over the market occupied by *Time* magazine. They will not be able to do it unless they come up with something vastly different from what they have at the present time.

I have spoken about the printed materials that are affected by this particular measure, and I should now like to turn to its effect on the television industry and on Canadian culture. Canadian culture is a relative thing. What the Secretary of State would call Canadian culture, other people would call garbage, and perhaps vice versa.

Mr. Faulkner: Only Tories.

Mr. Patterson: No; what about your own supporters? The minister does not have his ears and eyes open; he cannot see or understand. His mind is fixed on, "Come what may, you are going to do it my way." That seems to me to be a blatant disregard of the rights of the Canadian people. A rather disturbing attitude seems to prevail among most members on the government side—though, thank goodness, not all—when we begin talking about Canadian culture and foreign influence. The attitude seems to be that if something has a Canadian designation, however superficial, it has to be good; it is worthy of our acclaim and should be revered. This attitude is seen very clearly in a statement made by the hon. member for Skeena (Mrs. Campagnolo) some time ago and in the position she took regarding KVOS. The inference is that any group or letter designating a Canadian broadcasting licence automatically makes a TV station a better one.

I suggest that that is not so. I think the essential point in any discussion about KVOS—which is a station that has wide support in my area of the country—one upon which any decision should be predicated, is that KVOS is not just another foreign television station serving Canadian markets. KVOS has—in my analysis of the facts, at least—tried to observe the norms of good corporate Canadian citizenship for more than 20 years. To return to the periodicals, *Reader's Digest* has been a good corporate citizen, employing a great number of Canadian people. It pays its taxes, enters into the Canadian economy and has made a tremendous contribution. Yet the government says, "That is not good enough. We don't want you here".

● (1540)

KVOS, as I was saying, Mr. Speaker, has tried to observe the norms of good corporate Canadian citizenship for more than 20 years. I wonder whether any hon. member can, or would, say as much about the CBC television network. I, for one, feel that some of the trash that has been broadcast by this TV network, which has more than enough Canadian-designated communication letters to satisfy hon. members representing the government from various parts, indicates that the CBC is not a good citizen at all. Its broadcasting often violates the norms of Canadian society, it offends the sensibilities of vast numbers of Canadian

people, and its slant on news stories and other social issues does more to undermine and destroy Canadian values, beliefs and objectives than to support them. The record of objections raised about CBC programming by hon. members in the House will serve as ample evidence of what I am saying. I can find no record of complaint by anyone against offensive material being carried on KVOS. Good corporate citizenship, then, involves considerably more than paying taxes and balancing the books—and those are items the CBC cannot even come close to achieving.

KVOS does pay Canadian income tax in Canada on its Canadian advertising sales and on its revenue from film production. The income of KVOS-TV, B.C., Ltd., is taxed equally by the Canadian and United States governments. Under an agreement between Canadian and U.S. tax authorities similar to that applying to the Canadian radio stations in Windsor serving the Detroit market, 50 per cent of the advertising dollars from Canadian national and retail advertisers becomes a commission revenue for KVOS-TV, B.C., Ltd., and 50 per cent is paid to KVOS-TV Incorporated, U.S., for supplying the on-the-air product to the Canadian corporation. None of the revenue produced by the two KVOS western film corporations, Canawest Film Productions Ltd., Vancouver, and Canawest Master Films, Calgary, goes to KVOS-TV, U.S.A., and tax thereon is therefore paid entirely to the Canadian government.

KVOS-TV, B.C., Ltd., is a Canadian corporation and employs Canadian workers. It pays Canadian taxes and also owns and operates the two aforementioned film companies. These two companies represent, together, the largest full-time film production unit west of Toronto. Approximately 30 full-time persons are employed by KVOS-TV, B.C., Ltd., and its production companies. Depending on production business and schedules, as many as 150 Canadian performers, artists, technicians, salesmen and office workers receive professional income from KVOS-TV at one time. In addition, KVOS invests a substantial amount of its profits in Canada and Canadian enterprise. For example, it has built and subsidizes a very successful film industry in British Columbia and Alberta. It has to date invested a significant amount of money, approximately $3 million, in both short-term and long-term Canadian securities. I could give other examples, but suffice it to say that from 1965 to 1974—nine years—KVOS-TV's contribution to the Canadian economy, the public and private sectors, has been $75,862,000.

I should like to list a number of other significant items that show the essential good citizen character of this corporation. KVOS voluntarily adheres to Canadian advertising regulations. This has been the case in respect of the proportion of commercials per hour in children's programs. KVOS did not wait for the regulations to be changed, but as soon as notification was received from the CRTC the change was voluntarily implemented. KVOS-TV has for 20 years voluntarily followed all restrictions that Canadian-based stations have in the broadcast treatment of Canadian elections and election news. When writing for and/or filming commercials for Canadian or Canadian-distributed products or services, both federal and provincial laws, regulations and codes are adhered to.

I could go on talking about KVOS, but I think this is sufficient to show that this organization is a good corporate citizen, just the same as *Reader's Digest* was, yet it seems as though it is to be given the axe. The result is that it is going to be in a very difficult situation as far as further contributions to the Canadian economy are concerned.

[Mr. Patterson.]

One suggestion made by KVOS was directed toward what apparently is one of the foremost concerns of the CRTC, and that is how to improve the quantity and quality of Canadian-made programs. More specifically, the offer of KVOS dealt with how to continue to build and strengthen production facilities in the west. KVOS made a submission to the CRTC to pay a percentage of its gross revenue to finance a western Canadian television fund. If the fund had been instituted as suggested, by the end of 1975 KVOS-TV, B.C., Ltd., alone would have advanced well over $1 million toward expending the film and television production industry in British Columbia.

I do not feel I should pursue this particular thought any further, although I certainly could. I have ample data which would enable me to continue to impress upon the Secretary of State (Mr. Faulkner) the reasons this bill should be withdrawn, looked at again and amended. However, my hopes are not very high. I think the attitude of the minister has been shown very clearly. He is just going to sit it out and say, "When those people stop talking and yacking, then we are going to get this bill through and it will become the law of Canada." That is the attitude and reputation the minister has displayed and developed. He does not give a hoot about anybody else but his own program, and he is going to get it through.

I believe this bill should be the subject of another thorough examination. It should go back to the committee. Many of the things said in the committee have gone out the window now because of the deal made with *Reader's Digest*. This House has the absolute right to know just what happened and what took place before it gives approval to this measure or lets it go through this House.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I should like to make a few comments in respect of Bill C-58 at this stage. I realize that comments by hon. members on this side have been viewed with some degree of criticism by the minister responsible for the bill. I had hoped that this stage of the debate might have enlightened colleagues on all sides of the House about something that disturbs me. This has been mentioned by some of my colleagues as a question of privilege. I refer to the matter of closure of discussion in the committee and the fact that the whip was heavily applied to those members of the Liberal party who had expressed divergent views on the subject. I also hoped it would be possible to expose and identify the back room dealers and those deals which took place behind closed doors as a late stage when it was decided to treat *Time* and *Reader's Digest* differently.

The government almost paid the political price of obscuring this window to the world. The minister will recall that in my first speech I pleaded with him to make a distinction between *Time* and *Reader's Digest*. I had hoped this debate would give us the opportunity of finding out what went on behind closed doors that made it possible for the minister to change his mind and examine again the new information which obviously would have been before him at that time.

● (1550)

We are now faced with a different definition for a news magazine and a digest. It is now no longer sinful to bring in literary compositions from the outside, but it is sinful to bring in so-called general news. I suppose *Time* magazine could be called a news magazine. I suppose it is now bad for Canadians to read news coming in from other parts of the world.

My colleague, the hon. member for Fraser Valley West (Mr. Patterson), who just spoke got the minister a little excited when he said that Canadians at times express concern over the cultural evolution that has been set up for some years through a type of closure which the CBC and the intellectual elitists are directing at Canadians. The minister said that it is only the Tories that are excited. What he meant was that only Canadians are excited, that the elitist group fully understand what is happening, is fully in accord with it and that, of course, they know better. The minister is saying, in effect, that the cultural evolution within our country must be directed, and it is not any longer the right of the individual taxpayer and citizen to express views in this regard.

I have always said that if the government wanted to clean up some of the mess which exists in respect of the newspaper, magazine and publications industry, it would do better if it would bring out some laws that would have the effect of cleaning up the magazine shelf itself. I respect the freedom of all Canadians, even those who like to read *Playboy* magazine and some of the other filth that is prominently displayed on the bookshelves. However, I would have thought the government would have made a greater contribution to a cultural evolution in our country by bringing in some directions concerning how some of these magazines, which some people find offensive, particularly when exposed to young people and children, should be displayed on the bookshelves. Some of my colleagues have referred to this matter and have alleged that the government's interest in all magazine content is coupled with just another tax law which is being used as part of an effort effectively to wipe out *Time* Canada.

I should like to address the House on a few specific points surrounding this bill with which I disagree. First let me point out that I hold no special affinity to the publication in question. I would make these comments regardless of the publication that might be concerned. It is, indeed, a sorry state of affairs when a country's laws are allowed to be distorted and aborted by bureaucratic redefinition. I fear this is merely the beginning and that it may become ingrained in our policies. The Liberals think that Canadians are not educated enough or astute enough to have the capability of discerning good from bad. That is what this bill implies. It is ludicrous for the government to believe the foolish notion that this country can be independent only if its publications are 80 per cent different from everyone else's publications. Its interest in editorial decisions is completely outside the law and is an area in which the government has no right or competence.

The desire to give fully-Canadian magazines a more prominent place in the publications business of Canada is commendable, but not at the expense of other magazines which have some redeeming value in this field. It is this kind of authoritarian rule which I fear. The government's desire to set itself above the publishing industry and to decide what constitutes an 80 per cent difference so as to allow tax deductions is a cheap form of pseudo censorship. The government is assuming editorial censorship. It is not doing so legitimately, because it could not be legitimized in any form. It is doing so, instead, by a new tax law—a roundabout way of meddling.

It will place hundreds of jobs in jeopardy if the publication in question succumbs. If the government fears that *Time*, Canada, is becoming a monopoly, perhaps the assets of Maclean-Hunter warrant a second look. *Time*, Canada, does not expect any special status and is willing to comply with every government demand except the "80 per cent different" rule. I suggest this might be for the reason that no one has ever defined what is meant by the "80 per cent different" rule. In a legal sense, this is without foundation on the part of the government.

If *Time* outsells *Maclean's* and *Saturday Night*, this is an indictment of our home-grown talent for its mediocrity. If they cannot compete on merit alone, they surely do not deserve to be protected through bullying on the part of politicians and bureacrats. That is obtuse thinking on the part of the Minister of National Revenue (Mr. Cullen) and the Secretary of State (Mr. Faulkner).

This insidious form of creeping censorship must be stopped in its tracks. It is a basic right of all Canadians to read what they choose. We are denying Canadians the right to read and view a full range of publications and programs. The effect of this policy scares me—not the stated intention of the Minister of National Revenue. It is a misconception to delude ourselves with the impression that lost revenue from advertising in *Time* will go to Canada's *Maclean's*. This is not the fact. The government says that if Canadians wish to read *Time*, let them get it from American sources. The crown of life is the exercise of choice. If we wish to read the magazine of our choice, that is our right and there is no reason we should have to pay a premium for that right. This is completely unfair and is no more than misplaced nationalism.

Further, Mr. Speaker, I wish to voice my disapproval over the deal this government made with *Reader's Digest*. The phrase "any type of continuing arrangement for access to material" is further proof that censorship is involved in this bill. I cannot agree with this interpretation which is completely unsubstantiated by statute and is only meant to run *Time*, Canada, out of this country.

Another magazine will be affected by Bill C-58. I should like to comment on that as well. The periodical to which I refer is *MD of Canada*. As I understand it, Bill C-58 is intended to strengthen the magazine industry in Canada. If *MD of Canada* is forced to discontinue publishing and distributing in Canada, nothing will be added to the objective of Bill C-58. *MD of Canada* competes with no other magazine of this nature. It is the only journal of its kind in Canada to begin with, so if it is removed, who will benefit? I am afraid that if it is removed, more will suffer as a result. *MD of Canada* is the only journal of medico-historical significance in this country that is distributed to physicians on a controlled basis.

MD of Canada has vindicated itself over the years. This is proven by the responses of physicians who receive it. Enrichment of the mind is surely the purpose of this

journal. From what I hear, *MD* has met this objective in the medical community. Further, *MD* is published, printed and edited in Canada and its contents are not duplicated in any other form in this country. To even consider relinquishing the distribution of this unique journal is a negative step. I suggest that the government re-evaluate what they are trying to do by imposing Bill C-58 on this publication.

● (1600)

I should like to make another brief point to do with the electronic media, particularly with regard to KVOS-TV in Vancouver. The government has clearly applied eastern regulations to a very specific and exceptional western situation. KVOS is indeed a good corporate citizen and always has been. It has proved itself more than adequate in the last 20 years. Furthermore, KVOS-TV has paid taxes to this government and it has received no carte blanche concessions, nor has it asked for any. For 20 years they have systematically reinvested substantial portions of their earnings into British Columbia and Alberta and have built in these two provinces the largest film production companies west of Toronto, with Canadian actors, writers, animators and production people of all kinds. They have done this to demonstrate good citizenship, and they have done it at a period of time when there was no competition and no one else to fill the void in Vancouver and in British Columbia.

Now that they have expanded their presence in Canada and have reinvested their profits in other industries, they stand accused of being a bunch of foreigners who are taking over this country. This company has diversified and invested its money in other industries, but the accusation is that they are engaging in a foreign take-over. They cannot win. The minister and the government are determined in any way possible to assume full control over the broadcasting industry in Canada, whether they are using bilingualism as an excuse, the government's intention to bring the French fact beyond a reversible position in Canada, the income tax laws, or whatever other excuse. They are determined to assume complete control of the broadcasting media in our country. That is frightening to most Canadians and, I suggest, to most of my colleagues in the House of Commons.

KVOS is entitled to a second look. I think we are being too hasty in writing it off, and especially in not analysing the KVOS offer put before the broadcasting committee which would repatriate a minimum of $2 million a year directly into British Columbia's broadcasting activities. KVOS has offered to share with CRTC all the profits. They are paying them out in taxes anyway, and they will have to lower their rates by 50 per cent if they want to stay in existence. They have offered to give CRTC 50 per cent of their profits after taxes, and will let CRTC direct this money into some form of broadcasting activity in our country. But this plea fell on deaf ears, and Canadians will be the poorer for it. In my opinion, this would better have met the objectives contained in Bill C-58 so far as British Columbia is concerned than the provisions of the bill at present. Just because there is a different problem in the west which could best be handled by applying a different solution, why should we be stuck with a national policy based on solving an eastern problem?

[Mr. Oberle.]

The government defends this invidious action by saying that the reason we must nationalize the broadcasting and magazine industries is that we have a responsibility to provide some form of news coverage and of cultural distribution to some of the more remote areas of our country, to Canada's hinterland, to mid-Canada and to northern Canada where we talk about the northern extension of the broadcasting system.

I live in the north and I live under regulations that CRTC brings out. As I have said before in the House of Commons, there would have been better ways of achieving the purposes of Bill C-58, particularly if CRTC were receptive to some ideas that come from the north and if some of the policies established by CRTC for itself could be amended to take into account and be more attuned to the needs of the north. I am making particular reference to one CRTC policy, namely, that if there is an area which has been identified as one which has only one national signal, either CTV or CBC, and some entrepreneur wanted to bring a cable program into the area, the CRTC would refuse the application for the simple reason that there is only one broadcasting signal in the area now.

I should like to ask the minister to consider the request which I have put forward on several occasions, to explain the reasoning behind that regulation which says that just because there is one signal or no signal at all in an area, they cannot get cablevision either. To me this does not make sense. I can identify several areas where this is happening. In the city of Prince George, with a population of 75,000, only last year CRTC allowed an application for cablevision because at that time one year had expired since the city had both CTV and CBC networks.

The same is true of the area of Skeena, Terrace and Kitimat—that great area in the province which my colleague, the hon. member for Skeena (Mrs. Campagnolo), represents. There is only one signal there. It happens to be CBC. Yet the CTV network had to sign an agreement with CRTC that eventually, over a reasonable period of time, their signal would have to be extended into the area. However, it is a five-year to ten-year program and until that time there can be no application for cablevision even in an area with a population of perhaps 80,000 to 100,000. They are denied cablevision programming because they do not have any other signal. The same is true of the Robson Valley area. There are not as many people there, but they had no television at all until a couple of years ago and CBC could not go in there because it would not be a paying proposition. So 7,500 people, in an area with a 200-mile radius, did not receive any kind of electronic programming. I admit they have radio, but there was no TV programming at all.

My predecessor in the House of Commons threw up his hands and said that CTV and CBC were prepared to look at the situation again in five years. I made a private deal with the telephone company in British Columbia which put up the tower and put in the signal and the facilities. We finally got CBC to pay an annual rent, because there was no money in the capital budget but lots of money in another budget, so we robbed Peter to pay Paul and we worked out an agreement under which CBC paid an annual rent. Now we have that one program in the area, but it will be many, many years before the other program

is put in there, because it is not a viable proposition in the area.

The same holds true of the Peace River country. As I go up the Alaska Highway, that storehouse of resources, that place where Canadians who still believe in the free enterprise system and in the spirit of individuality make their living and carve out their existence away from the concrete jungles, there is no television either. The reason there is no TV there is that CRTC would not ask a company such as KVOS if they would be prepared to spend some of their profits in such an area. They might have done it. Obviously, neither CBC or CTV do—because why should they? They have a captive audience now. They are in all the areas where profits are made, so why should they go up north? There is no competition in the city; it has all been chased out. Why should they go up north?

● (1610)

There is the other matter of saying that satellites are floating around and can be tracked with gadgets. I wrote to Japan about a metal shield that attracts a satellite. A kit is offered for $750 which can be operated in remote areas which have no electricity—although a little power plant is needed to run it. It is possible to pick up the signal from the satellite; but, Mr. Speaker, if you do that you go to jail. In the north, where there is no electricity and no programming, the satellite floats around, paid for by taxes generated in the north, but you cannot track it and put in your own broadcasting system.

Seventy-five miles from Prince George, which now has two signals and will have cablevision, is the town of Mackenzie. I met with the Chamber of Commerce there: they wanted to have the second signal. Some technicians said it would be a simple matter to hook up to it, and the way they explained it made sense. I suggested they should try it out. They took up a collection in town. That is the way they do things, Mr. Speaker. They are resourceful where I come from: they do not go running to the CRTC; they help themselves. If they want to skate, they flood an area at the back of the house. If they want to curl, they build themselves a rink. Sometimes they get a little LIP money. But they are resourceful people. So they climbed up a pole, hung on a reflector and, lo and behold, a beautiful signal appeared on the television screen.

They wanted to know what they would do then. I suggested they should leave the shield up there and enjoy the Saturday night hockey game. What did the minister do? He told them to take the thing down because they were not entitled to it without a licence. It could take a year of bureaucratic bungling to get a licence. First they had to hire an engineer, and then it became difficult. The engineer had to prove the system would work even though they already had a picture on the screen. He spent two or three months, and $20,000, to tell them the system would work. Now they can make their application to the CRTC because they have proof that it works.

As a representative of the north, am I amused when this kind of bill comes to the House of Commons, Mr. Speaker? No. I say it is high time we faced the problem as it exists—and that we all face it, not just the people on this side but the people responsible for the mess we are in.

Some hon. Members: Hear, hear!

Non-Canadian Publications

Mr. Oberle: As it happens, KVOS was in Vancouver when programming in Vancouver was the way it is today in Dawson Creek. My hon. friend nods his head because he knows the problem is similar and I know he is working hard on it, too, but I should like him to compare the circumstances with Bill C-58—

Mr. Malone: Here comes the minister.

Mr. Oberle: KVOS was in Vancouver when things were like they are in Dawson Creek and in my hon. friend's constituency. Full service was not available at the time. The owners were American—but did they have two heads and seven arms? They were entrepreneurs coming to Canada . All their business was in Canada. Their production facilities were here and they hired Canadians living in Vancouver. There was a steel tower in Bellingham, just across the border, which was a convenient location from which to beam the signal into Vancouver. But that was all that was in the United States, except the owners.

I guess we have to make a decision whether to allow these bad people from the United States to influence our cultural evolution in this country. That is something members opposite have dreamed up with this legislation. The minister laughs, and if it were not so serious I could share his humour. But it really is not funny, Mr. Speaker, particularly when you examine Bill C-58 in light of what it means to KVOS in Vancouver and other entrepreneurs who have made a contribution to our way of life and are now penalized for it.

I have just returned from a trip to the United States where I had the honour of representing this parliament at an Interparliamentary Union meeting with the Congress of the United States. I have taken part in these meetings for the past three years. We discussed some of the irritants that have cropped up since the last meeting. There are always such things as border problems, waste being disposed of in the Great Lakes, the clean-up of the Great Lakes, the International Joint Commission, and such matters. On the agenda this year was Bill C-58. Mr. Speaker, I cannot put it any other way than to say I was ashamed. It was very, very difficult to defend what we are trying to do here, because I do not know what we are trying to do.

Some hon. Members: Oh, oh!

Mr. Oberle: We are called pirates. Our American colleagues look upon us as a banana republic. What we are doing with Bill C-58 will apply to other serious matters with the United States. There is the matter of the Mackenzie Valley pipeline, for instance. One senator told me in private, "We might build a pipeline through your country, and we might put some gas in it in Alaska, but there is no assurance that something will come out at the other end. You might nationalize something going through your country." There is the nationalization of the potash industry, and stealing cablevision in the area. That is what the latest regulations of the CRTC permit.

For the first time, I found that we were drifting apart ideologically from the United States. They are worried about what is happening in this country and what this government is doing. Mr. Speaker, they have every reason to worry. I did not say that publicly down there, but things were extremely difficult, and they will become more dif-

ficult. Every year we export 80 per cent of our production to the United States, and import between 3 per cent and 5 per cent of their production. If they should close the border to trade tomorrow, we would be eating our pulp, paper and lumber. They can get it from Russia. We have paid for building sawmills in Russia and Poland, and the United States has a trade imbalance because of the wheat that goes over there. We would be eating our pulp and paper tomorrow if the United States were to decide to trade elsewhere. They will eventually have to bring us to reason, and when they do it will hurt us. We will not be number seven in the world, in terms of our standard of living. We will be number twenty-four in other respects and will be treated in the same way as every other banana republic.

● (1620)

Since it was possible at a quarter to twelve, so to speak, to make a back room deal with *Reader's Digest*, to save face, why is it not possible to make another back room deal with *Time* and several other companies as well? Surely the minister realizes that the difference between this country and the United States is not great. The Americans respect our wish to evolve our own culture, our wish to build our own nation. They will not sit back forever and take what we have been dishing out to them. They are upset about our foreign take-over legislation and upset about the foreign investment review law. I know we are telling them not to worry, that the decisions so far have been in favour of those who want to invest in Canada. I know that people attending certain United States hearings have told the Americans not to worry, that the law is not being applied strictly, that it is only on the books to keep out certain foreign investment and is seldom, if ever, invoked. The point is that the law is on the statute books and can be invoked.

It is high time this government reaffirmed our country's friendship with the United States. That friendship works in Canada's favour. Continuing on the course this government has set will be devastating for our country. It will alienate us from our friendly, neighbouring giant who may have caused the odd difficulty but who has been a great friend of Canada's ever since we became a nation.

Again I say to the minister, through you, Mr. Speaker, please call back the people from *Time* and KVOS and work out another back room deal. After all, pressure is being put on my colleagues from British Columbia. Although they are not as numerous as those who come from Quebec, whose influence was obviously brought to bear with regard to *Reader's Digest*, I plead with the minister to reconsider the matter, because as many Canadians are employed in Vancouver and British Columbia by companies affiliated with KVOS as are employed in Quebec by *Reader's Digest*. Obviously, if the minister will not listen, British Columbia members will be disappointed. One hon. member on the government side in particular will be embarrassed when the government's case must again be taken to the people.

I will not prolong this debate because others wish to contribute. It is high time that we, as Canadians, opposed this kind of skullduggery and asked the government to listen to the people, not merely to Tories or Liberals. The minister cannot say that only he on the government side has received letters on this subject. I will not say that I am the only member on my side to whom Canadians write. I know that the minister and his colleagues are receiving letters of complaint from many Canadians. Before it is too late, I plead with him to reconsider this scandalous course of action and direct this country on a new course.

[Mr. Oberle.]

Mr. Bob Brisco (Kootenay West): Mr. Speaker, when last I spoke on this bill in the House I was addressing my remarks to comments made by the Minister of Communications (Mrs. Sauvé). We are now discussing an amendment to refer this bill back to commitee. I support the amendment. Having attended committee hearings but, unfortunately, having participated only once in the committee's deliberations, I could not help noting how little time the committee was given to hear the evidence of witnesses. This led to frustration. I am sure that many members and many witnesses were not given the opportunity to voice their concerns in committee about this bill. Let me repeat a comment which the hon. member for Skeena (Mrs. Campagnolo) made about *MD of Canada*. She said, as reported on page 10991 of *Hansard*:

> The content of their publication is without fault, I am sure, but this, I must point out, in no way makes it a Canadian magazine.

Magazines like *MD of Canada* and *Modern Medicine*, together with agricultural and other professional journals, bring professional and personal enrichment to those who read them. This silly legislation will make such magazines harder to obtain. Some of the present readers may be denied access to them in future. I am sure that the minister and his officials were not thinking of *MD of Canada*, *Modern Medicine*, our cattlemen's magazines or other, similar journals when contemplating this law. I doubt if they had ever heard of those magazines. They are not interested in them, and I would not expect the minister to read them; they are outside his interest. But these magazines are part of the lifeblood of professional men, are part of the lifeblood of the various people affected in trades, industries and agriculture. Usually, the reader looks forward to receiving his magazine. Although this law will not make it impossible for people to continue receiving these magazines, it will place constraints on their publication. Perhaps my arguments do not impress the minister; I notice that he yawns. If he had been through the sort of convention I have been through, he might be even more fatigued.

Motion No. 7 was intended to increase television coverage in Canada. The Minister of Communications said that she was concerned about the employment opportunities for Canadian artists and artisans involved with radio and television. She suggested that our artists, artisans and actors did not have adequate opportunities for employment. She went on to suggest that this was an area that required development. She stated it was part of our culture and heritage.

● (1630)

I cannot help but be amazed at the remarks of members opposite when they talk about the need for development of our culture. Last year the Minister of Labour (Mr. Munro), who is responsible for multiculturalism, was presented with an excellent document, a rather thick manual dealing with the entire subject of multiculturalism. I do not want Your Honour to think I am straying from the purpose and reason for this debate. That manual contained some very valid proposals with regard to multiculturalism. It was

very well done. After all, it was a report commissioned by the government. In July, 1975, I wrote to the Minister of Labour asking about this Canadian cultural identity and the need for a multicultural program. Three weeks later I followed up with another letter because I had not received an acknowledgement. Three weeks later I again followed up with another letter; I had not yet received an acknowledgement.

I followed up the initial letter of July, 1975, with an additional inquiry every three weeks until February, 1976. I have never received the courtesy of a reply. That shows how valid the arguments are by those opposite when they tell us they are concerned about the cultural identity of Canada, how they want to improve our culture and open up opportunities for artists and artisans. If that is an example of what they are doing, then truly it is laughable. I must say, with every measure of scorn, that for a minister to take nine months to answer one simple question is beyond all comprehension. Good heavens, consider what a woman can create in nine months!

The minister has expressed concern about artists and artisans. KVOS made a proposal to the minister which would have given the opportunity to some artists to continue in their present employment. Apparently it was not palatable. Rather than give them that opportunity, the minister would deny them such employment. He would rather they went on UIC and followed through with welfare. That is part of the cultural program of this government. It is a program that is truly remarkable in its lack of identity, thrust and recognition. I do not understand it.

The minister is very concerned about delegating foreign authority to KVOS. She said, in effect, that it is improper for us to accept money from the United States which might in some manner be influential dollars. She said it might improperly influence us, change our culture or change our identity. How naive, at the very least, and how untruthful at the very most. I have never heard any debate in this House about any money put into Canada by a foreigh-controlled company such as an oil company or a mining company changing our culture and identity. Surely this is the same thing, but with much smaller dollars. It is better to have something than nothing. Better half a glass of water or half a loaf of bread than nothing at all.

The minister would deny the honest and sincere attempt by KVOS to maintain a presence, a cultural presence at that, in the western part of this country. The minister said, as reported at page 10982 of *Hansard:*

It is just as if I raised the so-called French problems apropos everything we discussed in the House.

The minister was concerned that we were talking about western alienation. Of course we were talking about western alienation. The minister indicated that this kind of discussion does not take place in the House as far as Quebec is concerned. How very true. It does not need to take place because there are no similar problems in Quebec. We have every assurance that if there were, they would be attended to very quickly. Not so with western Canada. We have every justification in saying there is indeed a problem in western Canada.

Last week the truth of the matter was very evident. We saw the Prime Minister (Mr. Trudeau), his mandarins and ministers, trotting off to British Columbia to solve the problems of the Liberals. What a grand scheme it was. However, I think the appeal of the Prime Minister will have fallen on deaf ears because there are not, and never have been, any tangible results. We see that enormous architectural monstrosity in Vancouver which is called the headquarters of the CBC. I do not doubt that it is very fine on the inside. I wish I could say the same for the outside. When I compare the millions of dollars tied up in that facility to the thousands of dollars that could be spent in my remote constituency in British Columbia, I wonder about the priorities of this government. The hon. member for Prince George-Peace River (Mr. Oberle) spoke about the remoteness of his area. I am quite familiar with his part of the country. They do indeed have problems. They are certainly very remote and certainly very northern.

I extend to you, Mr. Speaker, an invitation to come to Kootenay West. You would see that half of our geography stands on its side and a considerable amount is under water. Kootenay West has provided a fortune to the Canadian people. The industriousness of the people has, through Cominco Limited, through mine after mine of silver, lead, zinc, bismuth and antimony provided a fortune in tax revenues of one kind or another. The waterways have provided an enormous source of power—little used in our area, incidentally, because we do not have much industry there; DREE has really not been effective in Kootenay West and has now been withdrawn. Be that as it may, the wealth generated within Kootenay West has contributed a great deal to all of Canada. What has Kootenay West received in return? Consider the communications system. Look at the CBC. We have low-power radio transmitters—LPRTs, as they call them—spotted in three or four areas. In one area the signal goes right by the homes of 350 people, yet they cannot pick it up because the CBC will not spend a dime to enable them to do so; the corporation sends it down the road another 12 miles. How powerful is that mighty signal? Enough to bring it back up the road three miles. How ridiculous!

● (1640)

We are talking about KVOS, about the priorities of the government in the field of communications, whether in print or over the airways. Take the community of Kaslo. They have an LPRT. It has been there several years. The grounding is not very good; people living three miles away cannot pick up the signal. Do we find the CBC very concerned about this? The minister has talked about the legality of these things. We heard the hon. member for Prince George-Peace River tell us about people in his communities having provided their own signals. I suspect it is almost too much to accept as mere coincidence the fact that the CRTC hearings involving the CBC took place at almost the same time as the debate on Bill C-58 began in this House. It was interesting to hear the Minister of Communications talking about legality, telling us this was illegal and that was illegal. Yet I have not heard one word from the hon. lady with reference to the fact that the tower which was erected on Mount Seymour was erected in violation of CRTC regulations. I addressed the hearing in Vancouver and pointed this out, but I have yet to hear a response. I can only assume the CBC will continue to break not only the regulations of the CRTC, with the full

approval of that body, but also the provisions of the Criminal Code.

If the minister cares to read my presentation before the CRTC, he will find out that the CBC is violating the law time after time. How laughable it is! The CRTC and the CBC are in bed together, yet the CRTC tells my people that they cannot put in a transmitter or that they cannot put in a receiver. Talk about mixed priorities! The Minister of Communications (Mrs. Sauvé) is very concerned about KVOS. I trust she is not laughing over the fact the CRTC condones the violation of regulations by the CBC. I am glad the hon. lady, by shaking her head, gives me reassurance on that point. Right now, CTV is going into Kootenay West having been asked to do so by the residents. After the CRTC changed the ground rules a bit, delaying the plan for a year and frustrating the people in my riding still further, the green light has finally been given, as I understand it.

I know the system being used by CTV is a very costly one and I know, also, it is not likely to show much of a profit for CTV. That is one of the penalties of doing business. Were it not for channels 2, 4 and 6, and channel 7 out of Spokane, the residents of Kootenay West would not have had an opportunity to watch television at all. These stations were there years before CBC ever got off its backside and provided a signal.

That, Mr. Speaker, is the communications history of my riding, and the picture is not much different throughout the outlying areas of British Columbia. At this very moment the people north of latitude 60 have a better communications link than the people of Kootenay West. Surely there has to be something wrong with the government's priorities when it comes to the operation of its communications network.

An hon. Member: The minister is leaving.

Mr. Brisco: How unfortunate. Here I was, making such a sterling address, and the minister has abandoned me. I feel crushed. In any event, back on February 10 the Minister of Communications, as reported at page 10,823 of *Hansard*, said she was concerned about special tax deals. How, she asked, could a government make some kind of special arrangement with KVOS? That is an intriguing question, and I hope the minister was directing it to the Minister of Finance (Mr. Macdonald) rather than to us, because the Minister of Finance is an expert at making special appeals when it comes to taxation.

There is nothing original or strange about making some kind of tax arrangement with a foreign firm, whether it is a television company, a mining company or an oil company, whether it is located in the United States, in Cuba or in some other country. I am sure the government has sufficient experience to develop any special arrangements which may be desired. Certainly when it comes to taxation, the Minister of Finance and his colleagues have demonstrated a supreme capacity for making special deals. I see no reason why there should be any difficulty at all in dealing with the tax position as it affects KVOS. KVOS has dealt very well with Canadians when it comes to taxation, just as they have with their own country; that is to say, on the basis of a 50-50 sharing arrangement. Perhaps the ministry in Canada would like more.

In urging hon. members to return this bill to committee, I say this: it is obvious to all Canadians, and particularly to all members of the House, that the debate on Bill C-58 has been prolonged for more than the normal period. Why has debate on this bill, at every stage and on every motion, been so protracted? The answer is, because there is so much which is wrong with this legislation, wrong with the whole thrust and purpose of the measure. Obviously, the government is prepared to wait it out. Let me assure the government that it is not our intention to test its patience; but we, too, are very patient and intend to examine thoroughly, at every opportunity, every facet of the bill that is wrong, as well as those amendments that were defeated by members on the other side.

● (1650)

I wonder how those in the healing profession on the other side of the House, who have so quickly, in such a trained seal fashion, jumped up to support their government, will relate their position when it comes to such professional journals as *MD of Canada* and *Modern Medicine*, as well as certain trade and agricultural journals. It may well be that the professionals on the other side of the House are really not interested in these kinds of magazines and they could care less. They are not concerned whether their fellow doctors or fellow farmers or lawyers have the opportunity to enrich themselves with any opportunity for culture or professional development.

Mr. Patterson: They want to be brainwashed.

Mr. Brisco: It may well be that they have some difficulty reading. In the context of this bill it has been said that there may be some form of United States retaliation. This proposition has been rejected by the government, and rightly so. I, too, would reject it. The United States really does not play that kind of game. If it does, it does it in a very sloppy fashion. In talking on this bill, it is our purpose, at least in part, to see that Canada does not have the opportunity to play that kind of game, the retaliation game engineered by members on the other side of the House. I do not suppose for a moment that the United States would take some arbitrary form of retaliation. I am sure none of us is worried about a nuclear strike.

Nevertheless, I suggest the opportunity is there for the United States to say, "Well, we had better keep our signals within the United States. Canadians are not interested in them; they do not want them, or at least the government does not". It is not very difficult, technically speaking, to keep U.S. signals in the United States, though I hope that does not happen. But if it does happen, I suggest there would probably be a subsequent strike within the postal service because it could not handle the volume of mail that the Minister of Communications, the Secretary of State (Mr. Faulkner), the Prime Minister, and all members on that side of the House would receive as a result.

The minister is more concerned about our cultural identity than she is about freedom of the press and the airwaves. Regardless of all the rhetoric and speeches that have been made, the simple fact remains, so far as KVOS are concerned, that they are quite prepared to act within the rules. They are quite prepared to accept the same

treatment that Canadian stations receive when their signals go across the border.

One critic corralled me outside the House and said, "You are wrong. How can you make statements such as you have just made if that station is not prepared to entertain 80 per cent Canadian ownership?" At least, I think that was the percentage he threw at me. I ask, Mr. Speaker, why should they? Does the United States insist upon 80 per cent ownership of signals originating in Canada? I would be very pleased to hear of just one case. Surely there are some experts on the other side who can advise me whether the United States insists upon 80 per cent U.S. ownership of Canadian signals going into the United States. What utter nonsense!

Let us send this bill back to the committee where it belongs. Let us have a full review by the Secretary of State, the Minister of Communications and all the other experts on that side who have managed to cloud, garble and distort the bill with non-persuasive arguments. Let us then get on with other business in this House. Another most controversial bill introduced by this government, Bill C-68—another cop-out by the federal government—is awaiting us in the wings and requires the attention of the members of the House. There are, of course, other bills waiting, bills requiring the attention of the House. We can only assume that in his wisdom the House leader has decided that debate on Bill C-58 must continue ad nauseam and ad infinitum. If that be the case, the policy of those on this side of the House who are concerning themselves with this particular bill will be "illegitimi non carborundum."

Some hon. Members: Explain.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Broadview (Mr. Gilbert)—Housing—Allegation owner of 800 Richmond Street West, Toronto, charged rents higher than authorized; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Veterans Affairs—Pensions for former prisoners of war—Position of minister if cabinet fails to support measure; the hon. member for Lethbridge (Mr. Hurlburt)—Canadian Pacific Railways—Restoration of rail service to Glenwood and Hill Spring—Reason for delay.

Non-Canadian Publications

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISIONS ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed consideration of the motion of Mr. Faulkner that Bill C-58, to amend the Income Tax Act, be read the third time and do pass.

Mr. Arnold Malone (Battle River): Mr. Speaker, if there were agreement on the government side that the bill go to committee immediately, then of course I would not need to speak. I would make my speech very short and I think the government would do the country a real service by putting forward whatever legislation might be ready, though I understand the government has no legislation ready, which is partly the reason it is willing to sit out this debate. I do not mind the government taking this time.

An hon. Member: We can wait.

Mr. Malone: Perhaps the hon. member has some constructive comments to make, though I think he ought to recognize that he is dealing with a minister who has put forward a pretty sloppy bill, one that had loopholes which had to be patched up as we went along, a sloppy enough bill that special concessions have now been made to certain groups which the bill originally attacked. I suggest this is all very much in character with the role that the minister himself has played in committee and in the House. He is a minister who, basically, is not in his seat for the question period. He is not in his seat now, during the debate on this bill. I cannot for the life of me believe that a person who would put forward a bill of such interest to the Canadian public would not remain to hear it debated.

● (1700)

I know of no bill that has attracted as much mail sent to members of the House as this bill, yet the minister and other members of the Privy Council are not even in their seats. I think this is a real slam to the Canadian public that their democratic process is being so totally denied. It has been said that the purpose of this bill is to protect our cultural identity. That identity cannot be protected by such a flippant attitude on the part of hon. members opposite.

The purpose of this amendment is simply to send the bill back to the committee. I suggest it ought to go back to the committee because it is legislation which has been etched in the minds of the Canadian public as a disservice. It has caused discontent across this country and has resulted in great protests coming to the desks of members of parliament. We have received literally thousands of letters of protest. My filing cabinet has letters of protest from constituents measuring eight to ten inches thick.

All that is being asked is that the bill be sent back to the committee in order that we can rehear the witnesses under new circumstances which result from the fact that the government has chosen to change the legislation. It originally put forward a legislative measure which would deny

Reader's Digest certain tax benefits. The government then changed its mind and said *Reader's Digest* would qualify, but continued to deny the benefits to other publications. What must be clarified and made crystal clear are the rules of this game. How can any publishing group in this country, Canadian or otherwise, have any sense of security about the publishing industry here when we have a government that changes the rules according to its own whims, choosing its own friends and enemies. That is exactly what has happened.

The claim by some, that this is a Maclean-Hunter bill, has some validity. One only has to look at *Maclean's* magazine since it changed from a publication every two weeks. It is now, obviously, a Liberal magazine. One only has to count the number of Liberal cabinet ministers who have been on the cover picture of this magazine. The fact of the matter is that this is a bill designed to kill the counterparts of *Maclean's*, for the protection of the government's own supporters. If that is not the case, then how can one justify the treatment given *Reader's Digest* and the treatment extended to *Time* magazine?

The issue here is clear. The reason for sending this piece of legislation back to the committee is to define the criteria—criteria that have become very clouded and, I suggest, very shady. This is a very unscrupulous issue that faces us because of the lack of definition of criteria and lack of clarity in direction. We are now asking the government for a chance to find out, once and for all, what the government is trying to do. It is almost impossible to debate this piece of legislation in this House because it is so pointless and without direction.

By putting forward a piece of legislation without spelling out the criteria in respect of allowing foreign publications into this country, the government forces a subjective judgment, and as long as the judgment is subjective, regardless of what other government considerations may be advanced in support of the bill, the fact is the legislation is a form of censorship. For this reason, we ask that the bill be returned to the committee. Perhaps, more properly, we ought to suggest it be returned to the wastepaper basket. The bill ought not to be before us because of the obvious loopholes, to say nothing of the basic and clear lack of philosophy behind it.

We are asking the government, during this debate, to make it very clear how a publication is to be considered Canadian. We also want to know who is to make the decision. How can any company publishing material for the market in Canada develop a set of criteria when it does not know what the government has in mind? We have had no clear answer in this House whether *MD of Canada* will fit into the mainstream of Canadian publications. Nor do we know what *MD of Canada* requires to do in order to fit into this mainstream.

MD of Canada collects its medical information from all around the world, so obviously most of its material is foreign. Is the research in different nations of the world not of value in Canada? Is science and scientific research in any part of the world valid in this country? Is not the fact that *MD of Canada* is essentially a Canadian-owned magazine, using foreign material, a valid reason for publication in this country?

[Mr. Malone.]

The question at issue here relates to the exemption of *Reader's Digest* and how it, in fact, meets the criteria, however unclear they may be. Apparently the decision in respect of all magazines is to be left in the hands of the government in order that it can tinker with and shape the minds of the Canadian people. The decisions are to be made at the government's whim. I suggest that if the government has no business in the bedrooms of the nation, is has no business in the minds of the citizens.

We can say with certainty that one of the reasons for this bill is to provide the government with the means of shaping Canadian thought, and shaping it deliberately according to the wish and the will of the government. This is a deliberate and unscrupulous attempt at censorship. It is designed to put forward specific ideas of the government to the Canadian people and to provide patronage to certain areas. It is designed to find favour in respect of certain magazines and to provide employment in specific areas. How else can the government justify its special exemption for *Reader's Digest*, a privilege that has been withheld from other magazines?

We must have a clear definition of criteria in order that magazines published outside the borders of this country will have some clear direction of what needs to be done to get into the Canadian market. We need some clear rationale in order that people will feel a sense of security in the publishing industry. We must know why some magazines are being denied the privilege of publishing here without having to pay a surtax.

Let us look at the principle of censorship itself. We know that at times there have been valid reasons for censorship in this country, yet the government has denied that censorship. I recall different ministers saying they did not believe in censorship. The Secretary of State (Mr. Faulkner) made this clear in committee. I do not, personally, believe in censorship and I think censorship ought not to be the role of government. Does it not strike you as odd, Mr. Speaker, that thousands and thousands of letters have crossed the desks of members of parliament in protest against certain CBC programs, namely, "Ten Lost Years", "Baptism", and "You Are Going To Be All Right, Jamie Boy", yet the government simply passed these off by saying it would not enter into any form of censorship? On the other hand, we have the present situation. The government has imposed its own will in respect of a change in rules as they apply to a certain publication.

● (1710)

On one hand there is the right to avoid the use of material that might be offensive to some, or reverse the government's choice to ban it, as in the case of *Reader's Digest*, *MD of Canada*, *Time* magazine and, I suppose, even the Bible inasmuch as its content is at least 80 per cent foreign. We certainly must ask what the government uses as its criteria. Partly tongue in cheek, and partly seriously, I suggest that the government might consider the Bible to have foreign content. I notice members opposite smiling. The fact is that if they wanted to be literal in respect of their own legislation, they could put a degree of control on anything they wanted at the whim and will of the government.

I think this brings us to the basic question of the Bill of Rights in this country and the privilege of being Canadian. As I understand the Bill of Rights, it ought not to have a price, a tax or a surtax attached to it. To this government, the right to information means that if the people want certain bits of information they can get it, but at a price.

I should like to know from members on the government side whether this is a philosophy that will apply to all rights in this country, and at whose wish and whim, and at what point, will the criteria be established and set out in legislation so that we will know what allows *Reader's Digest* in and what keeps *Time* magazine out, because without that defined criteria there is no doubt that this is a censorship bill. To claim otherwise is to be stupid, because the fact is that no one has yet explained to this House precisely why *Reader's Digest* was able to obtain a special exemption, and whether or not other companies which have not obtained the exemption can do something in order to meet the qualifications. Is that not a silly way to run a government? Is that not an unfortunate way to operate an institution which exists within a democracy?

The government sets up something which is so loose as to be totally subject to its will. This must be treated as a threat to all Canadians, because although it applies to some little piece of paper such as Bill C-58, which means that we may not get *Reader's Digest* next month, it is also an indication that this government has chosen to interfere with the basic rights of Canadians because it chooses to stop something without establishing criteria in respect of what might be stopped.

The government makes special exemptions in order to get around the stop-measures without establishing the criteria in this regard. What this boils down to is simply that the government has opted to set up for itself a subjective position in which it says it has the privilege and right to influence the public mind for its purpose. That is a most unfortunate situation. We can claim that the bill does not have a political mandate, and well it does not. Did anyone hear, during any election called by the Liberals in recent times, that one of their intentions was to impose upon Canadians a restriction on certain publications? They know they have been dishonest in their electioneering. They did not put forward any particular set of examples to illustrate to the Canadian people that this was expected. Yet this has been imposed. I think this points out the philosophy of the government of the day. It has the notion it has the right to do whatever it wants. Once they have won, they get the feeling that they might not win again unless somehow they can shape the minds of Canadians.

One way to do this is to try to restrict the information available to Canadians. They do not want to call it a censorship bill because that might bring a strong reaction, so they slip it in bit by bit in an effort to control the minds of Canadians. The bill has as its single purpose an attempt to control the minds of Canadians under the guise of an attempt to protect some irregularities in the taxing system. If that was all the government wanted to do, this bill would have gone through much sooner. I do not think there would have been much objection from this side if that had been the sole purpose.

When members of the government claim that the opposition is holding up this bill, they are simply blowing and sucking at the same time while trying to maintain a whirlwind attack. In this country the people have a right to think. They have a right to think, to read, to hear, to speak and to communicate as a principle of the Bills of Rights. This government is imposing its view in respect of the information available to the Canadian people. I have claimed before that this is a censorship bill because it sets out, in almost its only set of criteria about publications, a set of criteria that is false.

They talk about how foreign publications must be at least 80 per cent different in content to any previous publication. A simple analysis of that boils down to the fact that there is no such thing as 80 per cent. It does not exist. It cannot apply to publications. This government knows that. Percent is a mathematical concept. It is used in mathematical terms. You can talk about mathematical notions and percentages when talking about such units of measurement as length, weight or volume; you can talk about a percentage increase or decrease in the use of numbers. But you cannot talk about percent in dealing with values. That is like saying to someone that a person is 80 per cent right or, "I hate you 80 per cent", or that someone loves someone else 63 per cent.

The government takes a piece of legislation and tries to relate 80 per cent to a value judgment. This is a false concept. Someone can take a look at something, and if they do not like it they can say it is not 80 per cent. If they do not like it they can claim it is any per cent, because there is no unit of measurement for a value judgment. It is only when there are units of measurement that a percentage may be taken. It is a phony government that tries to tell us this criteria of 80 per cent has any validity. Anyone who has taken a course in research knows there is no way one can look at a piece of literature and apply 80 per cent to it with any degree of consistency.

This issue came up during the committee hearings on this legislation. I challenged the deputy minister, who was on hand that day and who had said they would use the length as the unit of measure; I asked him, if we had a piece of information that was 100 centimetres long and boiled it down until it was only 20 centimetres long, but had basically the same concept, whether that would apply. He said yes, to which the minister piped up and said it would not, that it must differ substantically, meaning that it must be different in its content or in what it talks about. This means the government is saying it is putting on a subjective judgment, that the percent notion no longer applies and that this government is censoring the minds of Canadians.

● (1720)

There is no doubt that, and I think it is time the government recognized that they are putting forward a piece of legislation which threatens the very core of what this country is intended to stand for. All the while the debate goes on, and the minister slips in and out of the House without showing sufficient interest to take part in the debate while hon. members have been speaking this afternoon. It is most unfortunate that such an attitude should prevail on the other side, because if we are going to look at a bill which has as one of its objectives the influencing of Canadian culture, the least we could ask is that the debate be approached with a less flippant attitude.

We know that the government accepts certain magazines and rejects others, without establishing any criteria, that it talks about 80 per cent when percentage should not apply, and that it censors the minds of Canadians. In fact, it tries to shape this country in such a way that the publishing industry is led to failure. The government would like to support Maclean-Hunter so its members can have their pictures week after week on its front page. It does all that, simply to try to maintain power. The whole bill is aimed at nothing else than destroying the whole notion of parliamentary democracy.

How can the government be bothered with this piece of legislation when there are so many inequities in the communications field with which they could be dealing? If the minister is really sincere about doing something for Canadians, how is it that the citizens in east central Alberta and west central Saskatchewan, who cannot pick up the CBC radio signal at night, receive a reply to their complaint from the Secretary of State, only a week ago, in a letter which stated that the CBC tests the strength of the signal in daytime, and if the people cannot get a night signal that is unfortunate? How is it that the television reception in the same communities is totally inadequate, yet the response of the government has been that perhaps by 1978 there will be some opportunities to put up another satellite transmitter?

Why is it that this bill is before us and takes up the time of the House, when people in the Northwest Territories, such as in Yellowknife, have to receive their news between midnight and one o'clock in the morning? I suppose the only justification for that is that when the Liberal government is in power the news is so bad that the government must set up a protective policy for the people in the north. Why is it that people in Yellowknife, when the weather is 40 below, have to listen to weather reports stating that it is raining outside, because the signal comes from Vancouver? Why is it that people whose natural trading links are with the northern cities of Edmonton and Saskatoon are unnaturally linked with Vancouver? This is a bill which should not be before members of parliament because the citizens of this country are asking for consideration of other issues in the field of communications. This is a bill which imposes on people, not responds to the needs and wishes of the citizens of this country.

Let us take a look at another portion of this senseless bill, a bill which indiscriminately opposes borderline broadcasting whereby U.S. stations beam their signals in Canada. I accept that there could be some real and genuine concern if all our culture were to come from the south across the forty-ninth parallel. But rather than react in the way in which the government has reacted in such an uptight manner about Americans influencing our culture, why do they not recognize that in the age in which we live, in the 1970s and the 1980s, and in the compressed world in which we can communicate instantaneously with any continent, instead of restricting any communication across the border we should open it up, and instead of requesting borderline conferences on communications between our two countries we should request the U.S. to encourage considerably more Canadian programs in that country?

One of the objectives of this bill was to increase opportunities for Canadian cultural development. How can it be done better than by opening up the market to Canadians? However, that is not possible for a restrictive government which wants to control. This government does not care about the expansion of cultural concepts, but would rather control broadcasting. If it really cared to expand our cultural influence, it would open the market wider and it would not have taken such a hard position on KVOS, one of the best examples of good Canadian corporate citizenship. KVOS, over 20 years ago, on its own initiative approached the Canadian government and asked to pay Canadian income tax because it recognized that a significant number of its dollars came from Canada. Some of the money from this company started Canawest, which now employs hundreds of people in the animated film industry in the production of animated advertisements not only used in Canada but used in the television market throughout North America and the world.

This piece of legislation, insensitive as it is, takes the position, on the one hand, that we should try to expand Canadian culture, and on the other scrambles the eggs by beating the chicken. There is no sense or logic in the legislation before us, and I submit the least that members of the government could do would be to send this bill back to the committee for the purpose of hearing more witnesses and to try to crystallize and clarify what is now a totally hazy, foggy and subjective approach to legislation the aim of which seems to be censorship.

To suggest that this legislation can be given third reading is to be naive beyond belief. It has not been prepared in any kind of finite detail. The government cannot tell us honestly in the House the ramifications of this bill with regard to any foreign publication, because it has not established the criteria. It does not know what will happen to a company which is foreign owned if it sells its shares to a Canadian operation, because it has not established its criteria. All we can say is that because the government cannot accept the challenge to send this bill back to the committee, it is chicken and it does not want to hear the Canadian people give testimony and bear witness in a way in which might be embarrassing to the government. The government could well improve its position if it could swallow hard and realize that this bill is as flippant as the minister himself. It should recognize that it would be much better to withdraw it or, failing that, send it back to committee to be tightened up.

● (1730)

Members of the government have become turncoat on *Reader's Digest* without telling us why but they are still hard-liners on *Time*, and without telling us how. They are a subjective government making decisions which affect the lives of Canadians, without reason, without criteria, without concern. Their position on this legislation is symbolic of a much greater issue, one which relates to the Bill of Rights and the concepts and freedoms we find therein. This legislation in its present form would put a price tag on certain freedoms which would then fall into the domain of privilege, with the government having the power to extend or restrict them at will. What folly for any government to take that position.

The plea of this party is that the government extend the time for consideration of this bill in committee so that an attempt can be made to iron out the problems that remain

and so that we can understand more fully the intention of the legislation.

I consider it a threat that the government would take the position that it should control the flow of knowledge and has the right to shape the minds of Canadian citizens. It is playing foul with the heritage of this country without reason, without concern, and certainly without the consent of the citizens, and I think it is high time that members of the government answered for that.

Three times in committee and in this House, Mr. Speaker, I have issued the challenge for anyone on the government side to explain what unit of measurement will determine the 80 per cent rule, but have never had a response. The plain fact is that there is no such thing as a percentage in a value judgment. If something cannot be measured by weight, volume or length, as greater or smaller numerically, there is no such thing as a percentage. The government knows it is playing with a false notion.

The government is making a deliberate attempt to mislead the Canadian people by saying, "We will allow at least 20 per cent foreign material into the country". The truth of the matter is that percentages do not apply. The government is playing censor and ought to be called for that, and called because it is being dishonest about the intent of the legislation. I think it has been deliberately dishonest, Mr. Speaker—dishonest about the fact that it hoped this legislation could be used as a tool or a ploy; it is a malicious attempt by the government to shape the minds of Canadians to its own advantage.

I issue the challenge to any member of the government who wants to respond in this debate to rise and tell us the unit of measurement of the value judgment that applies. How is it measured? How do you look at a painting and say it is 80 per cent pretty? How do you look at literature and say it is 80 per cent different? It cannot be done. The government's position is false and it really threatens the whole parliamentary system if it thinks this kind of unscrupulous and untidy legislation can pass.

The Liberal government is trying to sneak this bill in through the back door without considering the wishes of Canadian people. Across the nation many Canadians are voicing their concern about the communications system, their concern about violent and abusive material on television and in the media, while the government chooses to censor *Reader's Digest*, *Time* and *MD of Canada* without giving reason. Then the next news was that *Reader's Digest* was acceptable.

I note that the minister has returned to the House from his vacation in his office. I wonder if at this time we might adjourn my speech and suggest to him—oh, I see he has left again. I suppose he thought I was going to make a suggestion to him and did not stay around for it. I would suggest that the minister rise in this House and tell us how it is possible to apply percentages to a value judgment. I do not believe the minister can honestly tell us that the 80 per cent criteria is even slightly honest. He knows a bureaucracy has been set up to attribute to a piece of literature any percentage it likes—according to how it likes the literature. There is no way to attach a mathematical concept to a value judgment. If the minister cannot define it for us he should face the fact that the government is submitting a censorship bill and attempting to play with the minds of Canadians.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, this is the third or fourth time I have spoken at various stages of this particular legislation. This is a bad bill. The objectives and intentions of the minister that led to the legislation were good objectives and good intentions, and I say that without reservation. But it is bad legislation.

Given the good intentions and good objectives I suggest that the legislation was conceived in ignorance, drafted in a world of fantasy and, if passed, will be implemented in chaos. I do not know the way out.

Mr. Malone: The wastepaper basket.

Mr. Jarvis: The motion put forward by the hon. member for Surrey-White Rock (Mr. Friesen) suggests that the matter be referred back to committee. I support the motion, for a number of reasons. First, I have faith, possibly a naive faith, in that particular committee. I served on it for more than three years, did battle in it with esteemed friends opposite, enjoyed my battles, and enjoyed the results of some of those battles.

● (1740)

In the last parliament the committee considered broadcasts in Gaelic for Cape Breton. I remember the consideration regarding the export of Canadian cultural property. I remember complimenting the Secretary of State (Mr. Faulkner) on third reading. Yes, we have had harsh words in that committee, but we have always served under a fair and just chairman. His successor, the hon. member for Cochrane (Mr. Stewart), was no less an honourable chairman. Therefore I support this motion because these difficulties cannot be resolved in the House and there is some hope, albeit remote, of resolving them in committee.

I regret the atmosphere of the committee hearings. I am not debating who ought to have been on it and who ought not, who said what and why, and who could sit on it and who could not. I also regret the lack of time the committee was given to examine witnesses whose expert evidence was worth hearing. I found an atmosphere of acrimony. I did not see the adversary system working. I believe in the adversary system. No, I found "chippiness," a lack of flexibility and a lack of respect for opposite viewpoints. This I had never seen in that committee. I do not think this legislation will destroy the Standing Committee on Broadcasting, Films and Assistance to the Arts, but I do know that what we do with this bill may affect other legislation coming before the committee. This is not easy legislation; the citizenship bill will not be easy legislation either. I know I am straying, Mr. Speaker, and I appreciate your indulgence.

It is my opinion that the only hope for this bad bill lies in that committee. I want to see the integrity of the committee restored because, in my judgment, what it did with Bill C-58 eroded its integrity. In saying this I do not point my finger at the minister, whip, or government supporters on the committee.

I am happy to see my good friend, the hon. member for Bruce-Grey (Mr. Douglas) in the House. He spoke on a motion dealing with the broadcasting part of the bill, and made a good speech. We gave him a rough time when he spoke. I compliment him for speaking. At least I know how he feels. I do not know what the Secretary of State and Minister of National Revenue (Mr. Cullen) feel because the government's position has changed radically since the introduction of this legislation. At least I know where my colleague from Bruce-Grey stands, even though I know he is wrong.

Second, I think the committee could resolve the uncertainty surrounding this legislation ever since January 1975. Difficult legislation like this inevitably leads to uncertainty. I find some aspects of the bill completely acceptable. I favour a healthy magazine industry in Canada. I accept that we must protect that industry from unfair competition. I accept the ownership provisions of the bill, although I do not know if there is any magic in 75 per cent. I enthusiastically support provisions concerning editing and publishing in Canada. Frankly, they do not go far enough. The minister might have gone further to Canadianize the publishing industry. Why are there no provisions concerning circulation, advertising, personnel, accounting, and so on, provisions which could Canadianize to a greater extent the publishing industry? I will not make an issue of this.

Let me tell the minister what I cannot accept. I am against two aspects of the bill. I oppose the government's content approach. I would be willing to consider an anti-dumping approach. I do not know how difficult this would be. I am sure the minister and his officials are much more expert in this field than I am, and perhaps they have considered the anti-dumping approach. Let me make my position clear: I prefer the anti-dumping approach, by way of legislation, to the content route. However, I suppose it is too late in the day for this. As I say, I wish the minister and his officials had taken that route, instead of the "substantially the same" route. Actually nothing I have heard in this House or elsewhere suggests that the government has even considered this approach.

The second aspect I cannot accept is the aspect of back room deals. Mr. Speaker, back room deals are destroying the integrity of the Department of National Revenue, destroying the integrity of a department whose integrity must never be in doubt.

Some hon. Members: Hear, hear!

Mr. Jarvis: I cannot accept the wheeling and dealing. If the wheeling and dealing were laid on the table, were opened up for all to see, there might be justification for it. We do not know the government's reasons for wanting to get rid of *Time* but to keep *Reader's Digest*. I do not accept that process. It is not an honourable process to which this House should be party. Possibly the committee might resolve these two difficulties. I do not know, but I think the minister ought to be fair and try it.

Several other areas of the bill concern me. The minister indicated he might look at the distribution system. I understand that 13 of 14 magazine distribution companies working in this country are U.S.-controlled. I know I may be out of order, Mr. Speaker, but the system of distribution of periodicals concerns me very much.

The minister may be fed up to the ears with hearing about *Time*, but one point merits repeating. *Time* was misled. I do not say it was deliberate. When the magazine presented its first mock-up to officials of the Department of National Revenue it understood that Canadian content meant roughly 42 per cent of content. The officials in good faith were thinking in terms of 50 per cent or 60 per cent. Why did *Time* return shortly afterwards with a revised mock-up? I do not understand why the department did not respond to that mock-up, unless somewhere along the line somebody pulled a switch or pushed a button and said, "Stop; we cannot win what we want with this mock-up." If you are going to be cynical you could say the button was pushed because Maclean-Hunter said they needed 80 per cent. I am not going to be that cynical, but it is a conclusion one could draw.

● (1750)

There is no doubt that something happened at some stage, probably on May 5 or 6, 1975, to cause the officials in the Department of National Revenue to say stay away from the *Time* mock-up deal because we are not on that any more. Something happened in October and, all of a sudden, it became 80 per cent. Again if one were cynical one could say that Maclean-Hunter really wanted 100 per cent, but they could get away with 80 per cent. I am not saying that because I am not cynical.

The other magazine that really concerns me is *MD of Canada*. I do not understand why it is being executed. One member opposite, I believe the hon. member for Timmins (Mr. Roy), proposed an amendment to solve that problem. I forget the exact words, but it included all scientific publications. I supported that amendment.

I cannot understand the objects. First there is the anti-dumping object and, second, the encouragement of the Canadian industry. Why are we on a witch-hunt against *MD* and similar publications? If *Reader's Digest* can be accommodated through a back room deal, why can *MD* not get into the same room? There are other publications in the same general category as *MD of Canada*. I do not know if it is a locked door into that room. If so, it is very unfortunate because that is not the experience I have had with the Department of National Revenue over the years.

I usually hear cries of "obstruction" and "filibuster". I thank members opposite for not saying that today. However, I was prepared to accept it as being reasonably accurate. In January, 1975, there was the removal of what is called the grandfather clause subsequent to which there was no consultation of any significant nature with those against whom the legislation was drafted to operate. There was no reasonable consultation basically with *Time* and *Reader's Digest*.

This is tax legislation. Therefore it is penal legislation. A lack of consultation with those being penalized gives little credit to those in government responsible for the legislation. Therefore I do not mind speaking on this at length. I do not mind if many of my colleagues in this party join me in this. If that is obstruction we should not be reluctant to accept the label.

In May, 1975, *Time* was misled by the then Minister of National Revenue with regard to this mock-up. If that were to happen again it would encourage me to obstruct

again or filibuster.If that is the label, I accept it. If someone had been considered Canadian under our laws for a substantial length of time and was misled by an arm of this government, namely the Department of National Revenue, I see no reason why those in opposition and, frankly, those on the government benches should not obstruct or filibuster.

In October, 1975, we were confronted with the so-called Cullen rule, the result of which was to change the content percentage. The second result was to give publishers ten weeks to conform. I do not mind obstructing that kind of legislation or rule. If that is filibustering or obstruction, I will accept the label. When I saw the atmosphere in the standing committee and what was done to make that committee less effective than it had been historically, I saw good reason to stand up and obstruct. I do not consider that obstruction negative. I consider it positive.

The only hope for this legislation is to let it go back to committee. I am almost sympathetic with the fact that the government has a political football and it does not know whether to kick, pass or run. Therefore it is fumbling. It has pretty well consistently fumbled from January, 1975, to February 23, 1976.

I again say that this is bad legislation, conceived in ignorance, drafted in a world of fantasy and, if implemented, will result in chaos. I urge this House to accept the motion of the hon. member for Surrey-White Rock. In my judgment the only hope for this legislation, if there is any hope at all, lies in the standing committee.

Some hon. Members: Six o'clock.

Some hon. Members: Question.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I thought it might be appropriate for this discussion to end now by calling it six o'clock, but there does not seem to be the inclination to do that. It is important that I take part in this debate to a limited degree, having regard to the damage done to my voice over the week end.

Mr. Knowles (Winnipeg North Centre): Where have you been?

Mr. Baker (Grenville-Carleton): The hon. member for Winnipeg North Centre (Mr. Knowles) asks where I was. I was taking part in an event which will have great national significance as we look ahead to the future of our country and the future government of our country.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I am delighted that that significance has not been lost by the members on the other side. May I now call it six o'clock, Mr. Speaker.

Mr. Deputy Speaker: It being six o'clock, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Non-Canadian Publications

Mr. Baker (Grenville-Carleton): Madam Speaker, before the dinner adjournment I was apologizing to my colleagues on both sides of the House as I must now apologize to you, for the condition of my voice. I want to assure you, Madam Speaker, that this condition arose from my participation recently in an occasion of great public importance—

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): —and, as I tried to say before the adjournment, an occasion which will probably change the course of Canadian history over the next few years.

The difficulty about the bill before us is that its provisions, coupled with the rules which have been promulgated by the Minister of National Revenue (Mr. Cullen), imply a new departure in the field of legislation. I know of no other instance in which a bill, in relation to its most important principles, leans for support on something which is outside the bill, namely, something which can be changed, interpreted or adjusted according to the outlook of a particular minister or a particular government. This is why the hon. member for Surrey-White Rock (Mr. Friesen) moved that the bill be referred back to the Standing Committee on Broadcasting, Films and Assistance to the Arts to enable that committee to hear evidence concerning the arrangements made after Bill C-58 had been reported to the House, the arrangements being those which would enable *Reader's Digest* to qualify as a Canadian periodical.

The extent of this arrangement is an important thing for the Canadian people to know. One legislative sin has already been committeed, and that is the acceptance of the so-called Cullen rule. The second sin is the government's failure to come clean with the House, as it were, about the line it is taking in this respect; as matters stand I really do not know how the Secretary of State (Mr. Faulkner) feels about this. He has been silent. A very important part of the package is not included in the legislation and is subject to change without ever coming before the House.

Speaking just before the dinner adjournment, the hon. member for Perth-Wilmot (Mr. Jarvis) indicated on behalf of this party that we find the "content" approach taken on the part of the government, albeit toward a worthy object, unacceptable to us. We would like the minister, instead, to consider, adopting an anti-dumping approach. We cannot accept any arrangement which even appears to have a tinge of a back room deal about it. Even the appearance of such an arrangement lends some credence to a charge of this kind when that charge is not denied.

● (2010)

We are concerned as well about whether or not the particular attitude evinced by the Cullen rule accompanying this piece of legislation could be extended by a government to other forms of periodicals and reading material such as newspapers. I think it is important to remember that as this debate began the newspaper editorial writers and commentators indicated that the word censorship used in terms of this legislation was too strong. Then as the case unfolded the attitude of these same newspaper columnists and commentators changed, to the point where now they are almost universally opposed to a system of justice

which is akin to that described as justice according to the length of the chancellor's foot.

My respectful submission to this House is that this matter ought to be reconsidered by the government. The government ought to disclose to the House the background to the arrangement, and who made it. The reasons for the arrangement ought to be explored in depth by a committee, and witnesses should be called so they can be questioned by members of the committee. A complete parliamentary re-examination of the bill should take place. Without that kind of examination this bill, the regulations accompanying it, and everything that flows from it will be a blot on the legislative landscape of this country.

For that reason, Madam Speaker, we intend to support the amendment and would be very happy to see the minister recant his position and thus shorten this debate. The principle we have discussed is an important one. It look a long time for it to be recognized by the public press of this country, but it is now so recognized. The government owes this parliament, its own supporters, and members of the public an explanation as to what went on when this change was made.

Mr. Gordon Ritchie (Dauphin): Madam Speaker, I would strongly support sending this bill back to committee so that the so-called Cullen rule, which appears to be nothing more than a rule designed in the head of the minister of the day, or of some civil servant to fit the needs of any given situation, can be examined. As a result of this sweetheart deal with *Reader's Digest* which has gained it Canadian status, everything becomes very murky and the thing smells of political patronage. Obviously *Reader's Digest* was desired by a large number of Canadians, but more important its offices were situated in the city of Montreal. *Time* is entitled to ask why its position should not be re-axamined in light of this so-called Cullen rule. In fact the whole magazine industry may well be placed back in the situation it was before.

In effect the government has nullified about 25 per cent of what it hoped to save on advertising—some $10 million in *Time* and some $7 million in *Reader's Digest*, the balance being in the broadcasting media. For more than a decade Canadian companies advertising in foreign owned publications aimed primarily at the Canadian market have not been permitted to deduct advertising costs. This shows a great deal of decision by the revenue department. Just the other day I noticed an advertisement by CP Air in *Newsweek* designed for the Canadian market, since it showed only airline routes in Canada. The new rule applies to editorial content that is not substantially the same as the content of a foreign publication with which there is a continuing relationship. It is this "continuing relationship" that I think needs examination.

I think the government hopes to save about $40 million, though this has been cut to $30 million. There is no reason for assuming that the government ever will save $40 million, but let us examine what has happened under this sweetheart deal and the application of the Cullen rule. Although the terms of the bill are the same as originally, the government is putting a different interpretation upon it.

[Mr. Baker (Grenville-Carleton).]

Last October the revenue minister decreed that "not substantially the same as" meant "80 per cent different". Since neither magazine felt it could meet this difference, they had to cease publication. The government has now come up with a different interpretation. The phrase "not substantially the same as" remains unchanged; it is still 80 per cent different. The new interpretation relates to what constitutes a "continuing relationship". The aim of the bill is now entirely different.

The revenue minister has suggested that *Reader's Digest* can still operate in Canada if its editorials fall into any of three categories. The first is that of original articles written for *Reader's Digest* of Canada. That is fairly easy to achieve; all that has to be done is to publish an article in Canada first and then send it to the United States for publication. It is really a negation of the whole concept of what is an original article for *Reader's Digest* of Canada.

The second category concerns articles that have appeared in other publications with which *Reader's Digest* of Canada has no continuing relationship. Obviously this could relate to any of the sub-companies owned by *Reader's Digest*.

The third category is articles purchased through *Reader's Digest* of the United States which have been chosen, edited, and condensed by *Reader's Digest* of Canada. Again these articles must be chosen from publications with which *Reader's Digest* of Canada has no continuing relationship. It is this third category that is the crucial one.

In effect, Madam Speaker, the government is saying that *Reader's Digest* of Canada has no continuing relationship with *Reader's Digest* of the United States if *Reader's Digest* of Canada merely buys articles through *Reader's Digest* of the United States; in other words, if it buys articles that appeared elsewhere, using *Reader's Digest* of the United States as an intermediary. The whole situation is so complicated that it can be interpreted in any way the revenue department wants.

As a result of this interpretation of what is a continuing relationship, *Reader's Digest* of Canada is completely whitewashed. It is now in the category of being 80 per cent different. *Time* of Canada cannot buy articles through *Time* of the United States because the Time organization originates its own material. Therefore *Time* Canada can buy only from *Time* of the United States and thus is considered to have a continuing relationship. Obviously it was a sharp eyed person in the department who spotted that and used it to fabricate a rule to keep out *Time* but allow *Reader's Digest* of Canada to continue. This House should have a look at this problem to find out why one is allowed in and the other is not. It is obvious that *Time* will not be allowed because it represents competition to the hopefully to be published Maclean-Hunter weekly.

● (2020)

Let me say a few words about two or three medical journals that will be affected by this legislation, and I have specifically in mind *MD Canada*, *Modern Medicine* and *The Medical Aspects of Human Sexuality*. These are small but very well published magazines. *MD Canada* is a standout because it portrays the history of medicine. The articles are well written, much like those that appear in the heritage works of the *Horizon* magazine from New York, which

is probably the most outstanding in the world. It seems foolish to get rid of these magazines.

The opportunity to publish the results of Canadian research is very thin at the best of times. Much of the work the National Research Council does in respect of medical matters is lost because there is no way of publishing it. When a researcher is finished he sends his material to the archives here in Ottawa where it sits on a shelf gathering dust. No one ever sees that work again. Very soon the Research Council forgets about it and appropriates another $50,000 or so to research the very thing that was done in the first place.

The Canadian Medical Journal is the only medical magazine published in Canada and distributed widely, and I suggest it would not be published were it not for the large fees that physicians have to pay in order to subscribe to it. I suggest it is read by very few doctors. It is of little value because of the fact the medical field has been split into so many specialties, and the Canadian market is so small no medical magazine in Canada has the resources to do the research work necessary to inform the medical field. By and large U.S. medical magazines are much wider read in Canada than the Canadian publication.

The $50 million or so spent by the National Research Council is largely lost because the results of research are not able to be published. The removal of these few magazines will further diminish the amount of medical knowledge that flows freely to Canada from throughout the world. This will make Canadian doctors even more cut off from the rest of the world.

In fact we have seen what has happened in the drug industry as a result of the passage of drug legislation a few years ago when potents were taken away from drug companies. Many drugs developed in the United States, in the United Kingdom, and in Europe are being marketed around the world, but in many cases there is little knowledge of these drugs in Canada. I suggest this is another result of drug legislation. With such programs as Parcost and provincial efforts to curtail drug prescriptions we have seen a reduction in the quality and certainly quantity of drugs being made available to the Canadian public. Advertising is extremely important to the drug trade. Many people think drugs are widely known throughout the world by all physicians, but that is not the fact. Most physicians learn about drugs through reading about them in medical journals and from details supplied by drug travellers.

One of the most widely read medical journals in this country is *MD of Canada*. Many drug companies advertise their products in this magazine, and the revenue from this advertising in large part allows the magazine to be printed. Most of these drug companies are based in Montreal. Without this advertising almost certainly the knowledge about new drugs would diminish substantially, and only the Canadian public is the loser.

Canadians have benefited more than most from medical discoveries throughout the world, and that is because most of the great discoveries are not made in Canada but in western Europe and in the United States. There is an enormous outpouring of medical knowledge from the United States which is freely available to the rest of the world. In fact our food and drug department does very little but phone Washington and ask what is being done in respect of certain drugs that are being tested, and new drugs becoming available.

MD of Canada has a special place for people involved in medicine, and a special place as well for a small number of people who are not involved in the medical world. It is a very enriching magazine to its readers. It includes a written medical history that is extremely interesting, covering times from Julius Caesar, Napoleon and so on. This magazine is subscribed to almost exclusively by physicians so it is not in competition with any other journal or magazine. In fact there are no other magazines in which many of these companies can effectively advertise. The removal of these magazines from the Canadian market will in effect mean the end of this advertising.

Just a short time ago the Department of National Health and Welfare discontinued the practice, set up when the drug act was passed, of sending out selected drug information. Obviously the department felt that the bulk of this information ended up in the wastepaper baskets in doctors' offices.

Articles in *MD of Canada* are world-wide in scope, and many contain elements of history art, and music and their relationship to medicine. I have always appreciated the work of the originator of the magazine, Dr. Felix Marti Ibanez. Unfortunately he passed away at a very young age. He was the chief health officer of the Republic of Spain before the Franco civil war. That is probably equivalent to the position of deputy minister of health.

Modern Medicine, which is the corollary to *MD of Canada*, is also to be a casualty. Its value was in the fact that it contained condensations of many interesting articles from around the world. Thousands of medical articles are written but only a few can be read by any one individual. *Modern Medicine* has been a useful magazine in that it condenses many of these articles for the busy physician who does not have time to read extensively.

These magazines translate many of these world-wide articles into English so that doctors can take advantage of the information available. These articles are translated from Russian, Hindustani, French, Italian, Spanish and many other languages so that this information then becomes available to us. There is absolutely no possible substitution for these translations in this country, so again the information available to Canadian scientists will be restricted. I do not know what the point was in picking out these particular magazines.

● (2030)

Turning to the larger issue I should like to mention the CBC. I think the problem of the CBC is that it cannot stand some little competition. The CBC always attempts to inform the people what Canadians should do, think, and believe. But everywhere I go I notice that most radio and television sets seem to be tuned into American stations. What does this indicate? By and large it indicates that the CBC is not interesting. It is obvious when one listens to the CBC that it is trying to tell us something, that it is trying to lecture to us, or tell us we should do such and such a thing and should not buy this or should not do that. The CBC attempts to direct the public's morals. The CBC suffers because of this. When the CBC was established it

was supposed to spread radio and eventually television around the whole of the country. In my riding a considerable area has been without television for a long time. Instead of embarking on many of the things in which it is involved, the CBC would be doing much more for the country if it provided a minimum of television service to all parts of the country.

I feel this bill should be returned to the committee where we might hear what the sweetheart arrangement is between the government and *Reader's Digest*. I would hope we would hear what is the real meaning of a continuing relationship between *Reader's Digest* U.S.A. and *Reader's Digest* Canada, and why the same cannot be applied to *Time* Canada and *Time* U.S.A.

Mr. Cyril Symes (Sault Ste. Marie): Madam Speaker, at the third reading stage of the debate on Bill C-58, the bill which would end some of the income tax privileges for advertisers in non-Canadian magazines and also on non-Canadian television stations, I wish to make a few comments on behalf of the New Democratic Party.

We supported the legislation when it first came before the House. We saw it as long overdue. We have had some reservations concerning the interpretation by the Minister of National Revenue (Mr. Cullen) as it pertains to *Reader's Digest*, but on the whole we support the legislation and wish to see its passage at this time.

I really think my friends in the Conservative party are flogging a dead horse, a horse probably of their own creation, when they level charges of censorship and other kinds of wrongdoing at the government.

We debated this bill for months. It was first introduced over a year ago. The debate on second reading was prolonged mainly as a result of Conservative opposition. Very extensive hearings were held by the committee. The amendment before us to send the bill back to the committee seems to me to be a backward step which will not achieve anything.

In the committee we heard testimony from the officials of the Department of National Revenue concerning their interpretation of the 80 per cent different rule. I do not see how sending the bill back to the committee at this stage would further clarify that or in any way improve the bill.

It should be remembered that the main purpose of the bill is to promote a healthy Canadian periodical industry. Under the provisions of this bill the government will give tax advantages only to advertisers in *bona fide* Canadian magazines. The magazines must be 75 per cent Canadian-owned and they must not be substantially the same as a foreign parent magazine, which is defined as 80 per cent different. They also must not have an ongoing licensing arrangement with the parent company. Any magazine that fulfills those requirements by definition becomes a Canadian magazine and under the Income Tax Act their advertisers may deduct the cost of that advertising for income tax purposes.

In reality the bill before us provides an incentive to Canadian industry, in this case the magazine and television industry. I see nothing wrong with that principle. We have applied it to Canadian industry and manufacturing, and belatedly are applying it to the periodical industry in recognition of its importance to the cultural, news, and information heritage of this country.

This bill is long overdue. Back in the early 1960's a royal commission recommended that unless we took this kind of action to sustain the Canadian publishing industry, this industry would slowly strangle from lack of advertising revenue as foreign magazines, mainly *Time* and *Reader's Digest*, set up branch plant operations in Canada and gained much of the advertising dollar. The government of that day, which happened to be a Conservative government, allowed an exemption for *Time* and *Reader's Digest* and a few other minor scholarly magazines, and said that for the purpose of income deduction for advertisers they would be classified as Canadian magazines. The consequence of that mistake, perpetuated by Liberal governments, is that today we find these two magazines, *Time* and *Reader's Digest*, have gained the lion's share of the advertising revenue, to the detriment of Canadian magazines.

I am not talking about *Maclean's* which is a healthy magazine but rather about many of the other small magazines which have been struggling to find a few advertising dollars which would make the difference between their continuing and expanding, or going under.

We have seen how the government has reacted to the tremendous lobby of *Reader's Digest*. It is estimated that in excess of $200,000 was spent on this lobby campaign with the general public and members of parliament. Indeed we have not for a long time seen such intensive lobbying on the Hill.

Tremendous pressure was placed on the Minister of National Revenue. They argued their case forcibly. They argued that theirs is a special case, that their magazine is a digest and therefore should be given some special consideration. We see this once again in terms of the minister allowing *Reader's Digest* to have access to a pool of original articles that the parent company collects. However, there is a condition, which we in this party accept, that if there is to be any editing or digesting it must be done by Canadian editors and that the going rate must be paid for any of the articles that are bought from the pool of the parent company. Of course they must also conform to Canadian ownership requirements.

● (2040)

I think that helps to allay many fears we had that somehow we were back in square one. The only criticism I have of that arrangement is that by virtue of the fact that the pool of articles that *Reader's Digest* Canada will choose from is a pool of articles decided by U.S. editors, in some roundabout way we could construct the argument that there is still a degree of editorial control in the United States. But the problem of course is that *Reader's Digest* in the United States has exclusive licensing arrangements with most major magazines, and therefore *Reader's Digest* Canada had to come to this kind of special arrangement with the Minister of National Revenue.

The only other thing that we see as a bit troublesome is the amount of discretion that the Minister of National Revenue has in determining how the act will apply to various magazines. We had hoped that this would be spelled out in more detail. However, this would mean major amendments to the Income Tax Act because that

discretionary power of course rests with the minister as it applies to other industries and individuals, and I do not see the government coming forward at this time with such amendments. So we had to accept the bill as it is, although it is imperfect to some degree in the areas that I mentioned.

We also support the bill because it seeks to end an outflow of advertising revenue to television stations, to the amount of some $20 million a year of Canadian advertising revenue which goes mainly to Buffalo stations and KVOS in Washington state, and hopefully then the advertisers would redirect these funds to Canadian television so that our stations can expand and produce more Canadian programming. In no way does the bill prohibit them from advertising on those stations just as in no way does it carry any degree of censorship provisions with respect to advertisers in magazines.

We support the bill. We have not put up many speakers because we saw the delaying tactics of our Conservative colleagues. They have aired the issue thoroughly, the Canadian people have had the chance to judge, and I believe that at this time the Canadian people want to see the bill passed. We are of that opinion in this party, and for that reason I urge my friends in the Conservative party, having put up the fight that they have, that they now accept the bill of the House so that we can get on with passing this piece of legislation and turn our attention to equally important legislation which lies ahead of us.

Mr. J. R. Holmes (Lambton-Kent): Madam Speaker, I am not anxious to take up too much of the time of the House but I do want to take a few minutes to express some views which I had mentioned back in November of last year regarding this bill, and in particular to support the amendment of the hon. member for Surrey-White Rock (Mr. Friesen) that the bill be referred back to the committee for further study.

When I spoke on this issue in November of 1975 I was very concerned about the Canadian content portion of the bill. I never interpreted it as censorship. On the other hand, as I think I explained very clearly at the time, I interpreted it as editorial interference. At that time I made a case for certain scientific publications. There are a number involved in the medical area such as *MD of Canada, Modern Medicine* and *Medical Aspects of Human Sexuality*. I was somewhat concerned to find that there seems to have been some back room negotiations made with respect to *Reader's Digest*, while other periodicals were not given the same consideration.

I would like to think that there would be some recourse so that these periodicals or journals could be reassessed by the committee to see whether or not a formula could be devised to ensure their continued publication on the Canadian scene.

I should like to refer again to one of these periodicals of which I have a great deal of knowledge and which I have enjoyed over the years, that is, *MD of Canada*. I want to speak of it in particular because it is somewhat unique. As you know, the editor is Dr. Gibson who was invited to become the editor of that journal in April of 1973, following a great deal of searching on a world-wide context and following the death of the renowned Felix Marti Ibanez who was the founder and original editor of *MD of Canada*. As you know, Dr. Gibson is an internationally known physician and medical historian and he was a colleague of Dr. Ibanez.

When we look at *MD of Canada* it is important to realize that its own staff does the research and the writing and that the research and writing are done for physicians in the international context. We must remember that these are in-depth studies which add a great deal to the medical profession. I also want to point out that the news section is written by professional journalists. The head office is in Montreal. The medical news articles cover the major Canadian news of the day and meetings of various Canadian physicians.

I think that perhaps the most important thing about *MD of Canada* is that it is unique and that it has a humanistic concept which is not present in other medical journals with which I am familiar. It combines a cultural and historical interest greatly to the liking of physicians and professionals. If you look at *MD of Canada* and other medical journals you will find a striking difference. To quote Dr. Ibanez himself, he said it is the integration of medicine, society, and humanity translated editorially into a magazine of medical culture and cultural medicine.

I indicated some time ago that I have a very personal interest in this journal, and to try to demonstrate to the House the type of content found in the journal I had occasion earlier today to go back to some earlier publications of *MD of Canada* because, as I indicated previously, I had found some of these articles so interesting that I had kept them over the years.

As hon. members may know, I have a particular interest in the north and I would like to refer them to an excellent series of articles which appeared in the March, 1973, issue of *MD of Canada*. The cover story and feature article in that issue relates to the Arctic and is entitled "Arctic".

● (2050)

The lead article was written by Peter Freuchen. It is a fascinating, literary piece of writing and I should like to quote a little to give you some indication of the literary style of the journal:

> You feel an undeniable sense of harmony as you stand listening to the beat of nature's heart, as your eyes penetrate endless horizons and your mind experiences a touch of eternity.

This article describes the Arctic very well. It goes into detail of the geophysics of the Arctic, the climatology of the Arctic, the flora of the Arctic, the population of the Arctic, and some of the recent developments in technology. I suggest that this kind of article is important in view of our interest in the recent developments in the northern part of Canada.

In this same issue of March, 1973, there is a superb article entitled "Icebound Nomads" about the Inuits and Eskimos, of whom there are 35,000 to 40,000 in the universe, about 10,000 of whom are in Canada.

There is another article which deals with the humanistic aspects of medicine and science combined. This article entitled "Polar Pioneer" is about the Norwegian Roald Amundsen and gives an excellent background of the Inuit

people not only in the Canadian context but in that of other countries.

A further article "Cold Comfort" describes the anthropological background of the Inuit people in northern Canada and northern Quebec. There are two more articles about the Arctic, which gives you some idea of the proportion of this magazine which was devoted to the Arctic. One article "Viking Beauty" related to art.

I want to stress that *MD of Canada* is a unique journal. Its editorial content is quite different from routine medical journals as we traditionally think of them. I have tried to impart to the House that the editorial attitude of *MD of Canada* is as universal as medicine itself. I indicated earlier that this concept was perceived by Dr. Marti Ibanez who was recognized internationally as a physician and humanitarian. This concept recognizes that physicians are members of an international medical community. Any other view of physicians would be too narrow, and the feature articles I have referred to reflect this concept. They attempt to combine the humanistic approach to man, his environment and, life style with the traditional reports on diseases. I emphasize that the literary component of the magazine is most important.

It should be recognized that the object of this journal is to stimulate medical culture, and this aspect of the magazine is unique. This is one of the reasons why I think it extremely important that the amendment before us be carried so that this specific publication can be reassessed by the committee.

Over the years I have found it interesting that lay persons are surprised that a magazine designed for the medical fraternity devotes such a share of editorial content to the arts or the humanities. These are the cornerstone of this particular journal, however. It is extremely important that the magazine be reassessed by the committee to see whether the same exception can be applied to it as has been applied to *Reader's Digest*.

The journal *MD of Canada* and the other *MD* magazines which I will refer to in a moment are really not designed for consumption just in Canada but for physicians everywhere. They are basically universal in nature and of interest to all physicians, whether they practice in the United States, Canada, Southeast Asia, Europe or wherever. Of course some of the articles touch on local aspects. In the ones I referred to, although they are international in context, a good deal of the information is based on experience in northern Canada, the Northwest Territories, northern Quebec and the Yukon territory—wherever the Inuit are found.

It is important to understand the *MD* concept. *MD of Canada* is no more a facsimile of *MD*, the medical news magazine of the United States than it is a facsimile of *MD Espanola* or any of the other international *MD* magazines. The complete editorial content of *MD of Canada* relates to the Canadian scene, and most of the news it covers is unavailable to Canadian physicians from any other single source. Reports or highlights of various medical and scientific meetings in Canada which are often not reported in other media are covered in *MD of Canada*. The "clinics" section deals with new findings in the international context. *MD of Canada* is the only source of this news which is so helpful to physicians in keeping abreast of problems in today's fast moving world of medicine. The publication is sent to all physicians in Canada at no cost. The news section is different from what is contained in the United States edition or *MD Espanola* or the one that appears in southeast Asia.

[Mr. Holmes.]

● (2100)

From the beginning the magazine was published in Canada. It is important to remember this. It has been printed in Canada. The Canadian edition is not an edition printed outside and then brought into Canada. It is printed on Canadian paper, from typeset and plates manufactured in Canada, and mailed in Canada through the facilities of the Canadian Post Office, utilizing mailing lists provided by Canadian mailing houses. All advertising is solicited in Canada by the sales staff located in Montreal and in Oakville, Ontario.

I emphasize the importance of the free flow of medical information, regardless of its source. This free flow is essential to public health in this country and internationally. It should be considered as a magazine separate and distinct from any magazine published for the laity. *MD of Canada* has received favourable comments from thousands of physicians across this country, which illustrates the important contribution this important journal is making to the practice of medicine. It is doing this by supplying information of medical value, of value, I might say, to physicians around the world. I emphasize that the exchange of scientific information internationally is most important and I find unacceptable any curtailment of the international exchange of scientific information, or flow of scientific information to those interested in scientific ventures.

To sum up, *MD of Canada* is a controlled circulation magazine without subscriptions or revenue. Paid circulation magazines might choose to send non-Canadian editions to Canada, for sale to readers. That choice is not open to *MD of Canada*. Its only revenue source is advertising. If this important medical publication, which has been sent to this country's physicians for more than 15 years, were to cease publication in Canada as a result of Bill C-58, our medical profession would be the losers. The magazine could not be replaced, in the Canadian context.

I repeat that *MD of Canada* is not a Canadian edition of a foreign magazine. It is not a split run edition magazine; neither is it sold here as part of the overflow circulation of a parent magazine. It is a fully integrated Canadian medical publication which publishes material of value to the medical profession. It warrants repeating and emphasizing that the magazine's concept, its viewpoint, is important. It is unique in the field of medical journalism. It combines humanism, art, culture, and medicine.

MD of Canada purchases its typesetting, printing, labelling and mailing services in Canada. By definition, *MD of Canada* is a magazine of medical culture, and of cultural medicine, as I have emphasized. It carries a completely Canadian medical news section.

Again let me emphasize the importance of this special publication. It is unique—I say this with all due respect to other medical publications which may be affected by the bill, publications such as *Modern Medicine*, or those to do with the medical aspects of human sexuality. This unique

magazine combines material which is of scientific interest to practitioners of medicine, with art, culture, and the humanities. I ask the House to consider seriously the amendment proposed by the hon. member for Surrey-White Rock and refer this bill once more to committee to see if there is some way for this magazine to continue publishing in Canada.

[*Translation*]

Mr. Marcel Lambert (Edmonton West): Madam Speaker, a few moments ago I heard the hon. member from Sault Ste. Marie (Mr. Symes) say that the consideration of this bill totally lacked any logic as regards the length of the debate. He also suggested that the bill had been introduced a year ago and that debates had continued ever since in this House.

It is certain that the public, through magazines or newspapers, heard the pros and cons but I cannot agree that this bill has been before the House for too long. I have no regret or any excuse to extend to anyone about the length of the debate in this House. Particularly if the House has a bad bill before it it is not an excuse to say, we debated it long enough, now it is time to pass it. If this bill is in the wrong direction and based on unsound principles we are going to oppose it. It has been demonstrated that the opposition got results with the length of debates. Changes were brought in by the government which watered its wine, and there was an arrangement made for *Reader's Digest*. We were going to lose *Reader's Digest* and undoubtedly related operations because it is rather a congromerate of businesses for the Montreal area. Several members opposite undoubtedly exerted strong pressures on the government so it would make an arrangement with *Reader's Digest*. I wonder what certain ministers involved said. We must have an explanation about that. Why not do the same thing for *Time* magazine? It should be known that *Reader's Digest* insisted not once but a thousand times through representations made in the form of circular letters sent to members of Parliament as well as through the claims that were made in committee. First of all they were opposed to the rule of 75 per cent Canadian ownership.

Well, afterwards they very quickly realized the content. I would like to see Liberal members and NDP members justify their positions. Naturally, they show intolerance for any opinion other than theirs. That is why they are prepared to accept the principle of this bill.

[*English*]

You know, Madam Speaker, this is narrow nationalism; it is cheap nationalism. Actually some of the arguments used to justify this bill are not worthy of a banana republic. But some forget that this sort of thing is a two-way street.

A lot of Canadians operate abroad. There are jobs for Canadians abroad. By God, do we not feel proud about the operations of Canadian firms and Canadian personnel in other countries? Yes. But if these countries were to move in on Canadian firms in the same way as the Government of Canada proposes to move in on these two publications, there would be screams of protest which would burst anyone's eardrums. We do not consider that there must be two standards, one way that you behave in Canada toward outsiders with, as I say, banana republic chauvinism, and then the standard that other countries must exhibit toward we lily-white Canadians.

● (2110)

Mr. Knowles (Winnipeg North Centre): Us, not we.

Mr. Lambert (Edmonton West): I will accept the hon. member's correction in grammar.

Mr. Knowles (Winnipeg North Centre): *Hansard* would correct it anyway.

Mr. Lambert (Edmonton West): I am surprised that we insist upon this course of conduct in one area. We show many other countries an example of what I call petty nationalism. We then complain because we get treated the same by them. There are a lot of countries that look to Canada as an example of how they should act. What an example we show them when we put on a performance like this.

My colleague, the hon. member for Surrey-White Rock (Mr. Friesen), has put in concrete form the suggestion that was made during the report stage that this bill be referred back to the committee because, while report stage was being considered, the miracle of *Reader's Digest* was announced to the Canadian public. The uncritical public was relieved at being spared from buying a totally American *Reader's Digest* which would, of course, come into Canada, possibly in almost the same numbers but with the profits going entirely to the United States.

None of the operation would be carried out in Canada. Not even the Post Office would get anything out of it, not a blessed cent. With mail subscriptions emanating in the United States, the entire revenue would go to the U.S. postal department. Newsstand copies would be carried by express or freight, whether by rail or road. The Canadian government would not get anything out of it. There would not be any, or very little customs duty. The net revenue to the Canadian government would decline under the operations of this bill in its original form.

Somehow a face-saving has been found for *Reader's Digest*. I am going to ask, what was the deal? Was it the pressure of government backbenchers that caused the Minister of National Revenue (Mr. Cullen) and the cabinet to modify the strictures and restrictions of the Cullen rule and certainly that new minister's interpretation of his powers and what he would do to whip everybody into line?

Let us have *Reader's Digest* tell the members of the committee what promise they got from the government. I am not unhappy. I am not criticizing *Reader's Digest*. I think they acted properly to save employment and revenues for Canada with regard to income tax, postal service and so on.

A tremendous amount of the cost of publishing *Reader's Digest*, both French and English versions, will remain in Canada for the benefit of Canadians. It was going to be thrown out, totally. What saved it? Surely the members of this House are entitled to an explanation.

When they appeared before the committee the representatives of *Reader's Digest* said they could not live with the restrictions in this bill. The government was obdurate. The net result was that *Reader's Digest* was going to go. Now there is a deal. It is owed to this House by the government and *Reader's Digest* to furnish the explanation.

An hon. Member: Let's vote on the bill.

Mr. Lambert (Edmonton West): I hear a muttering about voting on the bill. That is not going to bring out the explanation. Do government caucus members know what the deal was, or were they merely told to accept it on the good faith of the ministry? Were they simply told that it was a good deal?

What is the attitude of the hon. member for Vancouver-Kingsway (Mrs. Holt)? What about the hon. member for Timmins (Mr. Roy), the hon. member for Scarborough West (Mr. Martin), and the hon. member for Kitchener (Mr. Flynn)? What do they say about this bill?

An hon. Member: Fantastic.

Mr. Lambert (Edmonton West): Is it fantastic? The hon. member for Scarborough West says that it is fantastic.

Mr. Martin: Mr. Speaker, I rise on a point of order. I wish to correct the hon. member. I made no exclamation after his reference to me a little earlier.

Mr. Lambert (Edmonton West): Very well. One of his colleagues must have some form of ventriloquism. The word was fantastic. It must have been his neighbour.

Mr. Guay (St. Boniface): You are fantastic.

Mr. Lambert (Edmonton West): I always knew that. I am glad to see the member opposite confirm this opinion. My colleague, the hon. member for Grenville-Carleton (Mr. Baker), indicated that when it comes to that, the hon. member for St. Boniface (Mr. Guay) is a slow learner.

Mr. Guay (St. Boniface): At least we can take a joke.

Mr. Lambert (Edmonton West): As I was saying, I want to find out the arrangement with *Reader's Digest*. That being out, what about *Time Canada*? I have no particular brief with regard to the content of *Time Canada*. Some people pretend that that magazine should contain more Canadian news. When I look at the average issue of *Time*, even the United States edition, and considering that the United States has ten times the population and a great deal more activity around the world, proportionately I think that Canada gets more space than does the United States on the world scene. To that extent the suggestion that Canada should rate more coverage in a world-wide magazine is unrealistic.

● (2120)

I am looking now at the new format of *Macleans*. There is a lot more Canadian news. It is not world news. It is Canadian, shall we say local, events. I am not complaining about that. It always struck me that *Macleans* magazine existed mainly for the benefit of the Toronto school of writers, the "in" group. The editorship seemed to move around like musical chairs. They all praise one another. It was a self-serving operation. They may not like what I have to say, but I should like something to break that up. They don't supply a substitute at all. I don't suppose they really need to supply a substitute on a world-wide basis.

If Canadians are restricted to reading *Time* magazine as it will be brought in from the United States, the postal revenue will, of course, be lost. Printing revenues will be lost. All the effort and materials which go into *Time* Canada will be totally lost to us. Mr. Speaker, there is such a thing as cutting off one's nose to spite one's face and in this action on the part of the government we are witnessing the same sort of thing. If it wants to encourage Canadian publications let it do so by all means, but not by the regressive and repressive methods proposed in Bill C-58.

I heartily endorse the amendment put forward by my hon. friend from Surrey-White Rock. I also submit that if the government and the New Democratic Party are unwise enough to reject it and draw a veil of secrecy over the whole situation, the House would be well advised to reject the bill entirely. This is bad legislation operating entirely on a false premise. If you apply to other nations the same principles as are applied here you would deny the operations of many Canadians abroad. There is no logic in this approach, and I consider that the minister's recommendation in favour of this legislation should be entirely rejected.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, as I rise to say a few words about this bill I must admit I have not been studying it as carefully as I might have done during the last few days. This is because I have had some other things on my mind and I hope they are reported in the Canadian edition of *Time* magazine when it comes out in the coming week. I look forward to seeing its comments on the leadership convention which has just concluded.

I support the amendment to send this bill back to committee. I am concerned about the deal made with *Reader's Digest*. I rose to speak on this matter originally because of the many letters and representations I received from constituents who feared that the *Digest* would no longer be delivered in their mail boxes. To their relief they find that some deal has been made which will allow *Reader's Digest* to continue as a Canadian publication.

I sympathize to some extent with the feelings of those who desire to encourage a sense of Canadian nationalism. The problem about this bill is the 80 per cent content rule, and this was the subject of a great deal of discussion which went on in the committee. I do not believe governments should become involved in deciding what the content should be of any magazine in this country.

I listened with a great deal of interest to the hon. member for Lambton-Kent (Mr. Holmes) discussing *MD of Canada*. He told us that this was a staff-researched and staff-written publication and that all these articles were researched and written for physicians in Canada. He pointed out that the editorial content reflected a unique humanism which combined the cultural and historical interests of the physician with his professional interests. This was the striking difference between *MD of Canada* and other medical publications. I recall recently reading one of the articles in *MD of Canada*. It concerned the life of one of the wives of King Henry VIII, Anne Boleyn, and the reasons for her various medical problems. This article was of great interest to me, as I am sure it was to a great many people.

We all know there is a great deal of unemployment in the country at the present time. If we force these publications out of Canada, jobs will be lost. The rate of unemployment, now running at about 7 per cent, is of such concern to me that I believe the effect of the bill upon the employment situation will in itself be a basic consider-

ation. I do not believe we encourage Canadian magazines by restricting the content they are allowed to print.

In the last few weeks I have been talking to many of my constituents about this bill. I find they have been reading about it in the press. Some have been reading *Hansard.* And people are still confused. Some believe we are subsidizing *Reader's Digest* by giving that publication special tax considerations. Others say we are not. Some people are asking whether we did offer both *Time* and the *Digest* special concessions at some time or another. Having regard to this situation I suggest we spend a little longer on this legislation, send it back to the committee and discuss the arrangements which exist as between the government and these publications.

I am also concerned, as an agronomist, lest various magazines of interest to my profession may be restricted by the legislation before us. I listened with interest to what the hon. member for Red Deer (Mr. Towers) had to say about publications in the field of agriculture. He suggested that livestock advertisements might be covered by the bill and that the results might adversely affect Canadian farmers trying to sell livestock in the United States and elsewhere.

● (2130)

For all these reasons I felt I should enter the debate to-night to lend my support to the amendment of the hon. member for Surrey-White Rock which seeks to send the bill back to committee for further study so the committee can deal with a number of considerations raised by many hon. members during the debate in this House.

Mr. Gordon Towers (Red Deer): Mr. Speaker, it is a great misfortune that apparently the minister and some of his backers do not see fit to think about some matters that are of fundamental importance to the Canadian people. I refer to freedom—economic freedom, freedom of the press, and freedom of worship. These are the three basic freedoms on which this country has been built. They have meant much to Canadians of all races and creeds, but apparently they mean little to the minister and those who support him.

I have a great deal of respect for members on the government side of the House who disagree strenuously with the minister about the legislation he has presented to the House. I agree wholeheartedly with the hon. member for Timmins (Mr. Roy), who suggested that it would be well to take a portion of the CBC's budget to assist publishers in this country. The waste of the CBC would probably never be noticed since its budget is so large. When the hon. member for Timmins asked why we should not give 10 per cent of the CBC's budget to the publishers who would then have more money than they can ever hope to gain from all of the *Time* and *Reader's Digest* advertising, he raised a point of fundamental importance. If we were to do that, or something like it, there would not be the fear of this legislation that exists on this side of the House.

The fear that we have is related to interpretation. We have gone over this and I hope that the minister will eventually take heed of the matters with which we are greatly concerned. Section 19.1 specifically states that "in computing income no deduction shall be made in respect of an otherwise deductible outlay or expense of a taxpayer made or incurred for an advertisement directed primarily to a market in Canada". This is where this question of interpretation comes into focus and it is why the amendment of the hon. member for Surrey-White Rock (Mr. Friesen) should be passed and the bill sent back to committee. The minister should tell the committee exactly what he means when he uses the phrase "advertisement directed primarily".

I have been in contact with some of the officials in the Department of National Revenue and they do not know the answer to that question. I should like to know whether or not the minister knows, and I feel the committee has the right to ask that fundamental question.

It has been suggested that ample time has been given when the legislation went to committee. I am sure you are very much aware, Mr. Speaker, having been chairman of parliamentary committees, that when five minutes is offered a member of a committee to question the minister, and he perhaps has only that one opportunity during the meeting, he can only touch on the outer parameters of his questions before his time expires. Some other member of the committee continues his questioning on other aspects, and as a result not sufficient time is given for the questioning that should take place in connection with a very fundamental principle of Canadian democracy, freedom of the press.

We have seen what happens when freedom of the press is lost. With today's communications it might be said that the world is becoming smaller. We can no longer live unto ourselves alone. Many governments are run on socialistic lines; we even have socialists in this House. However, governments that do not mind interfering with freedoms have no reservations about taking them away from individuals and allowing government, or governmental officials, to make decisions. Communism began in Russia, moved into China, into southern Asia, then into South America and now into Africa. Our North American continent remains relatively free of governmental control.

I think you would agree with me, Mr. Speaker, being the honourable man that you are, that we should protect this principle of freedom to our last drop of blood. Let no one interfere with our freedoms even though they are being eroded away one by one, principle by principle, in other countries. It may not be long before we too have none left.

As I said earlier, we have our basic freedoms—economic freedom, freedom of speech, and freedom of worship. Whether the legislative controls under which we now have to live are good or bad is beside the point. They are nevertheless controls, and once controls are put in place it is very difficult to get rid of them. We have found that out from experience. We all remember that income tax was supposed to be a temporary control. It was introduced many years ago, yet it is still with us and has quite an impact on society today. As I say, if these regulations are put into place they will be very difficult to remove.

Governments in Canada of one form or another are spending 40 cents of every dollar of our gross national product. In other words, 40 per cent of our economic freedom has disappeared. We do not know how long this will continue. I point out that in some socialist countries today the percentage is 70 or 80 per cent. Certainly I hope this

country can put on the brakes quickly and firmly enough so we do not find ourselves in the same position.

So it is with our other freedom, freedom of the press. Why should we allow a minister or a member of his department to interpret what constitutes Canadian content? I do not think anyone in this House of Commons, however intelligent he may be, could adequately define what Canadian content is in all situations and on all occasions. I think that is an absolute impossibility. Why then should we give this authority to a minister? I see no reason in the world why we should do that, and certainly not because the tax dollars we are speaking about are a very small or minute portion of the total tax dollars, or small in relation to our gross national product. The minister certainly is not playing fair with government members, members on this side of the House, or the Canadian public, and I have to take exception to that situation.

● (2140)

I pay honour to those members on the government side who feel about this bill as we do on this side. Let me spend a little bit of time in support of what the hon. member for Timmins has said. That hon. member suggested that this bill does not present any extensive degree of censorship. The hon. member referred to "extensive degree", but he then went on to say that there is a degree of censorship. Why should we allow any individual to propose censorship or control in respect of what Canadian people wish to read?

The hon. member then went on to say that the argument regarding the lack of legal authority of the Minister of National Revenue (Mr. Cullen) or the abuse of it has been overdone. I cannot agree with him in that, because I think the minister has not been flexible enough in this legislation. The only flexibility shown by the Minister of National Revenue was in respect of the provision for *Reader's Digest*. He made a change which allowed *Reader's Digest* a place in the Canadian plan of things.

The point I am trying to impress upon the House is that we have the right to know why and on what basis the minister decided it was in the best interests of the government to make this decision in respect of *Reader's Digest*. Unfortunately under the rules of the House, of which you are well aware, Mr. Speaker, we are not allowed to question policies or the reasons for legislation now before the House. We all recognize this rule and try to abide by it. However, this does create problems in certain situations such as the one we are dealing with at the present time, because we cannot ask the minister why and on what basis he changed his policy. This could be done in the committee, and that is why it is of fundamental importance that the bill be sent back to the committee where we can question the minister, and perhaps call further witnesses. Perhaps representatives of *Reader's Digest* would also have something to say in respect of this change in the legislation.

The hon. member for Timmins went on to say, and this is very important, that the answer and the reasonable position lay somewhere in the middle between what the minister is suggesting and what we on this side are proposing. I think it is reasonable to expect the minister to show some flexibility. Up to the present time he has not done so.

[Mr. Towers.]

The hon. member for Timmins went on to suggest that the minister and the government have never accepted the consideration of any middle ground position, and considering the type of mild amendments which have been refused by the government, even amendments that would have been useful without detracting to any degree from the bill, then he felt that the minister was operating from a point of total inflexibility and maybe even from bad will. Why should we in this House of Commons have to deal with inflexibility of this nature? It would seem to me that at some time the minister should stand and state unequivocally what was involved in this change he he made for *Reader's Digest*.

The hon. member for Timmins then went on to say it might well be that the Minister of National Revenue and his officials will look the other way when a Canadian publication is involved and that, indeed, if the government could wring out of its interpretation an accommodation for *Reader's Digest* it could certainly wring one out for a Canadian publisher. However, the fact remains that our Canadian publishers will have to face this legislation always, and it may be that they will be hurt by it while it may not necessarily hurt foreign publications.

Before this bill receives third reading I hope the minister will stand in his place and tell us exactly what happened that resulted in this change of interpretation. I hope he will tell us exactly what happened between his former position and the one he is now maintaining. This is of fundamental importance because there are other magazines involved.

I proposed an amendment to this House which was rejected, I must say to my regret. That amendment was referred to by the hon. member for Wetaskiwin (Mr. Schellenberger). It had reference to foreign owned magazines which aimed their advertisement at the Canadian market. As I said earlier, this world is becoming smaller, and surely there should and could be an arrangement whereby the United States and Canada could benefit from magazines published in each country. We both have much to gain by a common understanding and a common purpose. There is not much difference between their thinking and ours. Their well being is closely associated with ours, and to a great degree our philosophies are the same. If we could have an interchange of ideas and thoughts surely it would be to our mutual benefit.

One other matter of concern to me is in respect of research. We heard from officials of the Department of Agriculture that research is falling badly behind because we are unable to keep up with technical change. One official went on to say that much research is being done in the field because the department is falling behind in research at headquarters.

It would seem mutually beneficial to all concerned if we had exchange of information back and forth across the 49th parallel. We all realize that many of our magazines received in Canada are published in the United States.

It was my privilege for some time to serve as the superintendent of a Presbyterian Sunday school organization, and I have no hesitancy in telling you about this. There are a great many people who belong to that church, but they are still not in a position to publish their own Sunday school material. In view of the fact that we must rely on

American publications for the edification of our pupils to a great degree, why in the world can we not have a mutual understanding between the two countries as we have between the two church bodies?

● (2150)

According to this legislation if an organization, a corporation or whatever, wished to advertise in a magazine directed to the Canadian market it would not be eligible to have that advertising expense treated as a deduction for income tax purposes. I think this is wrong. I believe we actually are dealing with peanuts so far as the government is concerned, but it certainly is not peanuts when one considers the church organizations which must depend on public support for their sustenance. I should like to hear the minister tell us whether this legislation is actually aimed at this type of advertiser or publication. Surely this is not the case, because sometime he also will die and I am sure he would want to know where he is going. I believe many people at this point in time would like to tell him where to go, and where to take this legislation.

We must realize that this matter is of fundamental importance. Many letters have been received from people involved. No doubt down the road there may be other innocent bystanders who will be caught up in this. Surely the minister could give this further consideration because of the fact that it is open for interpretation.

As I suggested before, the minister basically is a good fellow. Many of us are prepared to trust him because of the fact that he has proven that he is trustworthy, but what guarantee can he give us that he will always be in that position? He cannot give that guarantee. What guarantee can he give that the present government will always be the government? I hope it is not and I do not believe it will be.

If the time should ever come when we have in Canada a government that has no hesitancy in taking away the freedoms of the people then certainly it would not be very difficult for a person, a minister, or a government to change the interpretation. We must realize that interpretation is one of the significant factors involved. That is the reason why there are so many church groups in the world of today. Interpretations differ. So many people interpret the basic philosophy in a different manner.

In the realization that this is a matter of interpretation and relevancy I find this legislation to be abhorrent. I would hope the minister would stand up in his place and say he would agree to accept this amendment, take the legislation back to the committee and thereby give the committee an ample opportunity to quiz the minister, and perhaps hear further witnesses because of the fact that I do not think they have had a full opportunity to present their case adequately to the committee.

Some hon. Members: Question!

Mr. Deputy Speaker: Is the House ready for the question?

Mr. Sharp: I rise on a point of order, Mr. Speaker. There have been some discussions among the representatives of the parties. It is my understanding it is the general wish that the motion to dispose of the amendment and third reading of this bill would be put on Wednesday as the first order of government business, and that there will be no further debate.

Mr. Baker (Grenville-Carleton): That is right, Mr. Speaker, but I wonder whether the government House leader would have any objection to the calling of the vote on the amendment this evening, or on both if he should see fit, and then let us have the two votes back to back if it should go that way.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the only point I make is that we cannot call the vote on the second one until the first one is disposed of by the House. We could call the vote on the first one, defer it to Wednesday, and have a gentlemen's understanding that on Wednesday there would be no further debate on the main motion.

Mr. Deputy Speaker: There seems to be agreement that the vote on the amendment should be called but that the registered vote would be taken on Wednesday as the first government order, but only with agreement that this would be followed by a vote on the third reading. Is this agreed?

If hon. members are not clear I would hope they would rise and so state. The Chair would like to make sure it is agreed that the vote on this amendment will be registered as the first government order on Wednesday next.

Mr. Guay (St. Boniface): With no debate.

Mr. Deputy Speaker: No further debate on third reading would take place before the vote. Is this agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The question is on the amendment of the hon. member for Surrey-White Rock (Mr. Friesen).

All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

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

And five members having risen:

Mr. Deputy Speaker: According to the order previously made, this vote stands deferred and will become the first order of government business on Wednesday.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

Adjournment Debate

HOUSING—ALLEGATION OWNER OF 800 RICHMOND ST. WEST, TORONTO, CHARGED RENTS HIGHER THAN AUTHORIZED

Mr. John Gilbert (Broadview): Mr. Speaker, on Wednesday, February 18, I asked the Minister of State for Urban Affairs (Mr. Danson) the following question:

Mr. Speaker, in view of the fact that an owner of a limited dividend building located at 800 Richmond Street West in Toronto charged tenants of two-bedroom apartments in the building $189 a month in February, 1975, and increased the rent to $205 commencing in February 1976, whereas the rental agreement between CMHC and the owner of the building stipulates that the rent be $173.25, will the minister direct CMHC to have the owner return the over-payments to the tenants forthwith, and not to permit any increase in rent until CMHC and the landlord have negotiated a new rent increase based on actual cost to the landlord?

I thought the Minister of State for Urban Affairs was prepared to answer the question at that time but the Speaker thought there was too much detail and did not permit the question.

● (2200)

May I review with you very shortly and quickly the details. There is an owner of a limited dividend project at 800 Richmond Street West in Toronto who entered into an agreement with CMHC, and as of February, 1975, the agreement called for rent of $173.25 for a two bedroom apartment, but the landlord of that building charged the tenants not $173.25 but $189. Then in February of 1976 the landlord charged the tenants $205. If you look at those increases in rent you will note that the first rent instead of being $173.25 was $189, an overpayment of $15.75 a month or $189 a year, and the second increase to $205 amounts to an overcharge of $31.75 a month, or $381 a year.

What the landlord has done regarding rents in one bedroom or three bedroom apartments in the building I do not know, but for two bedroom apartments he certainly has overcharged. When the tenants became aware of this overcharge they contacted CMHC which said to them that they can take the problem to the Ontario Rent Review Board or, if the landlord does not repay these overcharges, they might call in the mortgage because of the breach.

What should CMHC have done in these circumstances, and I am assuming that the facts are correct because I received them from responsible people? Surely what they should have done is to order immediate repayment to the tenants of the overpayment to the landlord, and if the landlord failed to make the repayment they should have taken immediate legal steps with regard to the breach of the legal contract.

However, there is a bigger issue in this problem than the overcharging of rents, and that is the role of tenants concerning agreements entered into between CMHC and the owners of limited dividend buildings. Last summer the Minister of State for Urban Affairs met with representatives of the Metro Federation of Limited Dividend Tenants and they asked for three main items to be discussed. One was standards of maintenance in limited dividend projects, the second was a grievance procedure with regard to problems they would have concerning the building, and the third was participation by the tenants in discussions and negotiations between CMHC and the landlord. These are reasonable requests but to date I have heard nothing, and neither have they, from the minister with regard to these problems.

[Mr. Deputy Speaker.]

Surely the tenants have the right to have knowledge of the basic terms of the agreement entered into between CMHC and the landlord. When I talk about the basic terms I mean the rent, the maintenance, and the terms of the contract, because with regard to rent under the Anti-Inflation Act and with regard to the limitation imposed by the Ontario government they are only entitled to costs such as increased taxes, heating, electricity, maintenance and insurance increases. If the tenants are forced to pay increases they should know what these actual costs are so that they can determine whether these costs are right and reasonable in the circumstances.

The agreement between CMHC and the landlord should not be a secret document; it should be a public document, and the tenants of CMHC buildings, both in limited dividend projects and public housing projects, should get a summary of agreements entered into between CMHC and the landlord so that they know just what the rent is, what the term is, and what other terms affect them.

With regard to the limited dividend projects, the moneys that are applied to mortgage financing are public moneys. Surely the tenants should have the right to know what the problems are. I am rather shocked that the Minister of State for Urban Affairs has not taken the initiative to publicize the terms of the limited dividend agreements entered into between the landlord and CMHC.

I look forward to the answer of the parliamentary secretary. He is a reasonable person and I am sure he has documented the problem and will give a good answer.

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I am pleased to be able to respond on behalf of the Minister of State for Urban Affairs (Mr. Danson) who is currently on a very important mission to Africa and the Middle East, where he is meeting with various heads of state for the purpose of discussing participation in Habitat, the United Nations Conference on Human Settlements, to be held later this year in Vancouver. Knowing the hon. member's strongly held humanitarian views on proper housing and living conditions, I know he will be a vigorous supporter of that conference.

With regard to the question he has raised tonight, it is gratifying to have the hon. member support the minister's efforts to provide reasonably priced rental accommodation for Canadians.

I think the minister would agree with him also that we should look into the three points he raised with regard to the standard of maintenance, grievance procedures, and participation by tenants. I will look into them and see if anything can be brought forward and if the hon. member and I can continue studying these matters.

As to the specific case the hon. member has described to the House, Central Mortgage and Housing Corporation is currently reviewing the developer's operating costs for 800 Richmond Street West, Toronto, in order to decide what level of rents is appropriate. The building was financed under section 15 of the National Housing Act, where an operating agreement between the developer and CMHC forms a part of the mortgage. The terms of the agreement

make provision for a review of operating costs when the developer requests an increase in rents. If the agreement is violated, the corporation may institute foreclosure action, or seek other remedies through the courts under the agreement. It should be pointed out, however, that CMHC does not have the power to direct the owner to make refunds of payments in excess of the authorized rents. The minister expects to have the results of the CMHC investigation by the time he returns from his trip. I am sure he will advise the hon. member and the House of his conclusion.

I appreciate the hon. member's remarks on the other points he made. I shall take them up with the minister and try to get some answers to the problems.

VETERANS AFFAIRS—PENSIONS FOR FORMER PRISONERS OF WAR—POSITION OF MINISTER IF CABINET FAILS TO SUPPORT MEASURE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I am glad to see the Parliamentary Secretary to the Minister of Veterans Affairs (Mr. Railton) in the House. I was hoping the minister could stay but I am sure he is quite busy.

I raised a question on the legislation that was promised to provide compensation for prisoners of war on the basis of the length of time they were incarcerated. On January 28 the minister indicated that he would make an announcement, probably within two weeks. On further questioning by myself and by my colleagues, the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Norfolk-Haldimand (Mr. Knowles), the word was always the same, the problem was being considered in cabinet. Mr. Speaker, I wish they would take that word consideration out of the English language. It appears the only answers we ever get are that the matter "is under consideration".

On February 13 the minister replied again that it was being considered by cabinet and the House leader, who seems to support the procrastination in cabinet to deny these veterans, promised me a long outstanding date which is now overdue. I do not know what they are waiting for. The amounts involved are insignificant, particularly compared with next year's spending estimates of $42 billion. One wonders why nothing is done. One can only presume that the government is leaning on the backs of veterans in restraining its spending.

● (2210)

According to figures I have, $2.3 million could be spent on Japanese theatre prisoners of war, and $6.7 million on other prisoners of war, making a total of about $9 million. A number of former prisoners of war have passed on, which will probably reduce that total by $1 million. I see, from looking at the new estimates, that spending under the veterans land administration, legislation which was phased out against the wishes of veterans, is to be reduced from $13 million to $9 million. If the parliamentary secretary wants to know where extra money can be found, surely the government could use the $4 million it saved for the benefit of prisoners of war.

The members of the Standing Committee on Veterans Affairs have supported the minister, as have the veterans. We all think, with due respect, that he has brought in good legislation, and introduced many improvements to existing legislation, which we have supported. But, as he himself says, so long as veterans are alive, we shall need improvements in legislation, if only to cope with veterans' needs.

Inflation being what it is today, it is obvious that veterans' allowances and disability pensions are not keeping up with the increase in the cost of living. The Canadian Labour Congress brought this to the minister's attention. It showed that some veterans on war veterans allowance are getting less than they would get if they earned even the minimum wage. Inflation today is badly hurting our five million poverty-stricken people. Statistics Canada figures show that a family of two needs a minimum of $5,000 today to survive. So it is obvious that there is a need to increase pensions and war veterans allowances.

I mention this because I want to draw attention to those prisoners of war who were incarcerated for up to two and a half years. The Hermann report mentions the pre-aging process. The parliamentary secretary, who is very capable and served with distinction as a medical officer, realizes the effect of incarceration on prisoners of war, even at this late date.

It is now four years since the Standing Committee on Veterans Affairs recommended that the plight of former prisoners of war be studied and the Hermann report commissioned. We, on my side of the House, want to know facts. Let the parliamentary secretary say, either yes, or no, will legislation be introduced soon. Today in the House when answering the hon. member for Winnipeg North Centre the minister indicated that probably in a week he would have the answer for us. He told me on January 28 he would know the answer in two weeks. He said much the same today. Does his answer of today mean we must wait one week, two weeks or three weeks? The question is, how long must veterans wait.

It is an insult when the minister says that the matter is "under consideration". We have supported his position in cabinet. The Standing Committee on Veterans Affairs is not partisan. We understand the situation, and the minister's position in the government, and we want a yes or no answer: can we expect the legislation soon; or, when can we expect it? We need to know, to allay the fears and concerns of veterans across the country who expect the legislation and look forward to it, because it was promised. Hopefully the parliamentary secretary this evening will give us the answer to our question, and say that the minister will announce a date by next Friday.

Mr. S. Victor Railton (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker—

Mr. Knowles (Winnipeg North Centre): Here is your chance.

Mr. Railton: —the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) as usual spoke well of the situation affecting prisoners of war and other circumstances to do with veterans. He has strongly urged the minister to say when the legislation will be announced. I will not use the words "it is under consideration" this evening.

Adjournment Debate

The hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Norfolk-Halidimand (Mr. Knowles) are as interested in this matter as much as any of us on this side. I can state that the veterans are just as interested to have this matter settled. The minister has great concern. I can use that word honestly. He has been fighting hard for the welfare of veterans in every way. Actually in the minister's answer to the hon. member for Winnipeg North Centre today, I thought he said he was going to say something this week.

Mr. Knowles (Winnipeg North Centre): That is what he said.

Mr. Railton: That is a little better than a week from now. There have been a great many factors holding us up, such as a full cabinet or full cabinet committee. There have been a great many vacancies because of certain trips and one thing and another. It is very important that the people who have the final say discuss it and say it.

The minister is perfectly honest when he says he has the matter under advisement completely. I think he has it completely in his hands to give the hon. member an answer this week, and that it will be forthcoming.

CANADIAN PACIFIC RAILWAY—RESTORATION OF RAIL SERVICE TO GLENWOOD AND HILL SPRING—REASON FOR DELAY

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, I just cannot believe that the minister did not see fit to be in the House tonight or at least to appoint somebody. Oh, I see he has appointed someone.

On November 7, November 18, November 21, December 2, January 28, and January 29 I directed questions to the Minister of Transport (Mr. Lang) in an effort to have a railway bridge repaired in Glenwood and Hill Spring which was damaged by floods in June, 1975. On November 7 I asked the following question:

In light of the fact that the CPR informed me over four months ago that a bridge would be provided in the Glenwood-Hill Spring area in order to facilitate the movement of grain, and in light of the fact that this has not even been started, will the minister assure the House that every effort will be made to have this situation corrected immediately?

The minister replied:

Mr. Speaker, I think there may be a requirement and a role for the Canadian Transport Commission in relation to the bridge on this particular line, but I will look into the matter.

On November 18 I asked the following question:

In answer to my question in this House on November 7 regarding restoration of rail service to Glenwood and Hill Spring, the minister informed me there may be a requirement and a role for the Canadian Transport Commission. Since that time the CPR has notified Mr. Harold Boucher, President of the Chamber of Commerce in Magrath, that it is awaiting word from the CTC. Would the minister inform the House where the confusion lies, since the CPR says the bridge has to be restored in order to provide service?

● (2220)

The minister replied:

—we have been considering the question of the use of trucks immediately to move grain from that area, and some steps are going forward toward this end.

I then asked the following supplementary question:

In view of the fact the minister has stated that the bridge has to be repaired, would he inform the House why the CPR hauled 15 loads over the bridge but now refuses to haul any more and has cut off service to people in the area?

The minister replied:

I am not sure at which stage the hon. member refers to the materials having been hauled. As I understand it, the bridge is not safe for service and therefore cannot be used to provide service in the ordinary course.

On November 21 I asked the minister the following:

In light of the fact that at a meeting held in Magrath, Alberta in November of 1972 the ex-minister of agriculture, Mr. Olson, informed the meeting that "If any producer suffered any loss due to inability to deliver grain as a result of plugged elevators, CP rail would be responsible", would the minister inform the House whether or not he has instructed the CPR to restore service to Glenwood and Hillspring?

The minister's answer was:

I rather think the former minister of agriculture's words have been taken out of context. The question of restoration of service is one, as I have said before, that depends on certain action on the part of the CTC.

In my supplementary I asked:

In view of the fact that the Minister of Transport has informed me that he has to get a hold of the CTC, that the CTC has told me they have to get a hold of the CPR, and that the CPR has told me they have to get a hold of the Minister of Transport, would the minister please inform the House how I go about restoring service?

And this was the minister's answer:

As I told the hon. member earlier, we are all trying to get a hold of each other.

Next, Mr. Speaker, I quote my question of December 2.

On November 21 the minister received a telegram from the Chamber of Commerce in Magrath as follows:

Advise what arrangements made to move grain from Glenwood and Hillspring elevator. Situation desperate. Grain piled on ground. Deteriorating daily. Surely you can order CP Rail to move grain either by rail or truck.

Again, this was the answer:

Any such instructions would have to originate from the CTC. The problem with grain movement is that there is difficulty with a bridge that can handle ordinary service. There is real doubt about the ability of anyone to order a movement by truck. However, we have been negotiating toward a specific truck movement of grain. We are attempting to put the final details of that movement in place. I hope to be able to tell these communities in short order about that plan.

On January 28 I put my next question as follows:

On November 7, 18 and 21 I asked the minister questions regarding the restoration of rail service to Glenwood and Hill Spring and the minister replied in part on one occasion that the CTC had a part to play in the matter, a bridge was under repair and that the CTC, CPR and the Minister of Transport were all looking for one another. Will the minister inform the House whether or not he plans to do anything about this serious situation?

To which the minister replied:

I will check the exact dates on which certain steps were taken in this regard and bring the hon. member up to date on the matter.

On January 29, in the course of a further question, I said:

There is to be a meeting of the Chamber of Commerce in Glenwood tonight to discuss methods which might be used to restore grain transportation. Will the minister assure the House that he will contact the Chamber of Commerce in Glenwood before their meeting tonight with a statement of his intentions?

This the minister did as promised. I should like to read a telegram which was later sent to the minister as follows:

Our executive express sincere appreciation your wire January 29 advising you had requested president Canadian Pacific Railway to immediately repair bridge Cardston Glenwood Line. Have they agreed to do so and when may we expect normal service? Advise.

As of this point in time Mr. Boucher has not been advised of anything. The trucks are not moving grain. The bridge has not been repaired. I just wonder what the answer will be tonight. Will it be that the CPR tenders are let and that an announcement is forthcoming? Will it be the trucks are too expensive? Will it be that nobody wants to work? I think the CPR has been the scapegoat for the Minister of Transport.

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, in the name of the Minister of Transport (Mr. Lang) I would like to tell the hon. member I hope to be able to satisfy him with an answer tonight. Before getting to the heart of the answer I should like to summarize briefly the event which caused the disruption of the CP Rail Cardston subdivision run from Stirling through Cardston to Glenwood, some 73 miles.

Last summer a flash flood damaged a bridge, cutting the line west of Cardston to Glenwood and isolating two elevators at Hill Spring—two primary elevators with a capacity of 160,000 bushels—and Glenwood where there are four primary elevators with a total capacity of 250,000 bushels.

Mr. Hurlburt: I already know that.

Mr. Gauthier (Ottawa-Vanier): This incident caused 15 rail cars to be marooned by the flood between Cardston and Glenwood. Immediately reacting to this situation it was possible to winch rail cars one at a time across the bridge. Evidently the ministries concerned did not stop there. We carried out an initial examination of the various alternative means of restoring service and their respective cost elements. This examination indicated that trucking the grain out from these two elevators would be preferable to rebuilding the bridge, bearing in mind this is one of the lines which is being looked at by the Hall Commission whose report is expected by the end of the 1976.

A closer examination of the costs proved that the truck option was higher than the initial indication, because if all the grain were trucked out to Cardston it would create congestion problems at Cardston. Also, trucking distances to the alternate delivery points of Brocket and Fort MacLeod would be greater and would be over roads that have severe load limitations during certain times of the year. Furthermore, the trucking option would involve a second elevation with increased costs.

The higher than anticipated trucking costs caused us to ask the Canadian Transport Commission to carry out a full study of the various rail options. On the basis of the CTC study it became evident that it was preferable to rebuild the bridge at an estimated cost of $75,000. On January 30 the Minister of Transport wrote to Mr. Burbidge, president of the CPR, and asked CP rail to rebuild the bridge. Canadian Pacific rail has agreed and confirmed that in fact construction crews were already on site and CP rail estimated that reconstruction would be completed in approximately six weeks.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Tuesday, February 24, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

PROPOSED SUSPENSION OF STANDING ORDER RELATING TO PRIVATE MEMBERS' HOUR—MOTION UNDER S.O. 43

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I rise on a matter of urgent and pressing necessity. Under the terms of Standing Order 15(6) private members' hour on Mondays and Tuesdays is suspended after being reached 40 times. Since this session has been prolonged abnormally, private members now have at their disposal a much smaller proportion of our time than our rules intended. To correct this situation I would move, with unanimous consent, seconded by the hon. member for Malpeque (Mr. MacLean):

That beginning on March 1, 1976, and for the remainder of the session, Standing Order 15(6) be suspended.

Mr. Speaker: Pursuant to Standing Order 43, such a motion can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

THE CANADIAN ECONOMY

SUGGESTED STUDY OF EFFECT OF TARIFFS ON EMPLOYMENT IN TEXTILE INDUSTRY—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to present a motion on a matter of urgent and pressing necessity.

Since the economy of the Eastern Townships, in Quebec, depends largely on the textile and clothing industry that provides 32.5 per cent of the jobs in that area, but is now experiencing a serious recession, and in view of the fact that the CSD, Centrale des syndicats démocratiques, has just published a report indicating that unemployment in the area could reach 10.6 per cent by the end of April, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House now discuss the Canadian tariff policy and its impact on employment and investments in the textile industry, in order to take as soon as possible the necessary steps to support this industry and ensure that new industrial sectors will be able to absorb the surplus manpower from the textile sector.

Mr. Speaker: The House has heard the hon. member's motion. Pursuant to the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there such a consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: As there is not unanimous consent, the motion cannot be put.

* * *

CANADIAN BROADCASTING CORPORATION

PROPOSED COMMITTEE STUDY OF INADEQUATE COVERAGE OF CONSERVATIVE CONVENTION BY FRENCH NETWORK—MOTION UNDER S.O. 43

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request unanimous consent of the House to present a motion on a matter of national interest and of pressing public importance.

In view of the obvious inadequacies in the television coverage of the recent leadership convention of the Progressive Conservative Party by the CBC French network, and more particularly in view of the fact that this network did not broadcast in their entirety, as did the English network, the speeches of the candidates, I move, seconded by the hon. members for Lafontaine-Rosemont (Mr. Lachance) and for Laval (Mr. Roy):

That this matter be referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts, so that the management of CBC can be heard.

Mr. Speaker: The House has heard the motion of the hon. member. According to Standing Order 43, the motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: As there is no unanimous consent, the motion cannot be put.

Canadian Broadcasting Corporation

[*English*]

NATIONAL DEFENCE

REQUEST FOR CLARIFICATION OF PLANS FOR BASE CLOSURES—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to present a motion on a matter of urgent and pressing necessity. In view of the concern expressed by the president of the Union of National Defence employees with respect to base closures in the maritime provinces, particularly CFB Shearwater and CFB Greenwood, and the enormously disastrous effect this would have on the Annapolis Valley and the metropolitan area of Dartmouth and Halifax in economic terms, I move, seconded by the hon. member for Annapolis Valley (Mr. Nowlan):

That the Minister of National Defence not later than Thursday of this week undertake on motions to give to this House, the provincial and municipal authorities involved, the fullest explanation respecting the status of any base closure plans, and to reiterate the firm assurances given by previous Ministers of National Defence and himself that no base closures will take place without the fullest consultation with these officials and this parliament.

Mr. Speaker: The provisions of Standing Order 43 require the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

CANADIAN BROADCASTING CORPORATION

PROPOSED PROVISION FOR RE-OPENING CONTRACT NEGOTIATIONS OF WAGE SETTLEMENT REJECTED BY ANTI-INFLATION BOARD—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that after ten months of negotiations, after assistance from a conciliation commissioner and subsequent consultations with the Anti-Inflation Board, the Canadian Broadcasting Corporation and the National Association of Broadcast Employees and Technicians (NABET) had reached agreement on all issues, including the monetary ones, for a new collective agreement, and in view of the fact that last Wednesday negotiations broke down because the CBC refused to agree to the inclusion of a clause which would permit re-opening of negotiations in the event the AIB reduced the proposed monetary settlement, I move, seconded by the hon. member for the Northwest Territories:

That this House urge the Secretary of State or the Minister of Labour to make clear to the CBC that it is the view of the government that all corporations, whether public or private, as a necessary part of bargaining in good faith during the period in which the anti-inflation program is in effect, should include a clause in all contracts which would lead to the re-opening of negotiations in the event a wage and benefit settlement be rejected by the Anti-Inflation Board.

[Mr. Speaker.]

Mr. Speaker: Order. Pursuant to the terms of Standing Order 43, unanimous consent is required before this motion can be put. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

CRIMINAL CODE

PROPOSED REFERENDUM ON CAPITAL PUNISHMENT—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to move a motion dealing with a very urgent and important matter, and I am convinced that because of its importance, no hon. member will oppose this motion.

Whereas the Canadian people have very strong feelings on the highly controversial question of capital punishment and that the decision either to abolish or to maintain capital punishment cannot logically be left solely to the Canadian parliamentarians, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House recommend the holding of a referendum on this matter and, in order to avoid an emotional debate, that the time required for holding such a referendum be as short as possible, and that members of the House abstain from campaigning in favour of or against capital punishment so as to really know the views of the Canadian people.

Mr. Speaker: The House has heard the motion of the hon. member. Pursuant to the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore, the motion cannot be put.

* * *

[*English*]

NATIONAL DEFENCE

SUGGESTED CANCELLATION OF LOCKHEED CONTRACT IN VIEW OF ALLEGED CORRUPT PRACTICES—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise on a matter of urgent and pressing necessity. In view of the fact that Lockheed Aircraft Corporation has admitted paying at least $22 million in contract kickbacks in such countries as Turkey, The Netherlands, Italy and Japan, I move, seconded by the hon. member for Sault Ste. Marie:

That the Minister of National Defence consider cancelling immediately any contracts with this corrupt corporation, a part of the dry rot of the all-powerful military and industrial complex about which the late President Eisenhower tried to warn the free world.

Mr. Speaker: Pursuant to the terms of Standing Order 43 unanimous consent is required before the motion can be put. Is there such consent?

Some hon. Members: No.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRESIDENT OF BELGIAN SENATE

Mr. Speaker: Order. Before beginning the question period, I am sure all hon. members would wish to join with me in making welcome a very distinguished visitor and colleague who is present in our gallery this afternoon—the President of the Senate of Belgium, Mr. Pierre Harmel, to whom we extend a very warm and cordial welcome.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

FINANCE

ALLEGED INCREASE IN DEFICIT—SOURCE OF FUNDS TO COVER INCREASE—REASON FOR FAILURE TO REVEAL FINANCIAL POSITION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Minister of Finance I will put my question to the Prime Minister.

An hon. Member: Another red Tory.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Now that the festivities of the weekend are over, and in view of the fact that there are several potential leaders of the opposition to follow the hon. member, I wonder whether we could simply receive them as hon. members, the way they were the week before the convention.

Some hon. Members: Hear, hear!

Mr. Stevens: As the 1977 estimates show that budgetary spending in fiscal 1976 will be almost $2 billion higher than the forecast in the June 23 budget, would the Prime Minister explain to the House how such massive over-spending could take place in a time of expenditure restraint; and is it now fair for the House to assume that there will be a deficit this year of $5 billion, not $3.2 billion as forecast earlier in the June budget?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, when the President of the Treasury Board tabled the estimates he made a statement on this subject. I can understand that the hon. member was away and this is why he did not hear it.

Mr. Stevens: A supplementary question, Mr. Speaker. As government revenues have lagged far behind expenditures in 1976 to the extent that there will be at least a $3.2 billion deficit and possibly something over a $5 billion deficit, would the Prime Minister explain to the House from what sources he hopes to raise money in the coming year to pay for the additional $3.7 billion in spending forecast in the estimates for 1977? I should like the Prime Minister to specifically answer that question.

Mr. Trudeau: Mr. Speaker, the hon. member asks for a specific answer to a budgetary question. He should know that the budget is dealt with in a way other than by answering questions.

Mr. Stevens: A further supplementary question again for the Prime Minister, particularly in view of his reply to my first two questions. Since most groups of working Canadians, whether they be members of a union or a corporation, must now submit their past, current and future financial conditions to the scrutiny of the Anti-Inflation Board, would the Prime Minister indicate why the government is not coming clean with the Canadian people and revealing its own revenue, expenditure and deficit projections to the public, and specifically holding to those projections once they have been revealed?

Mr. Trudeau: Mr. Speaker, the hon. member is making a completely unsubstantiated allegation. He should know that this House has budget dates. The estimates appear in the blue book which was tabled last week, accompanied by, I repeat, a statement which he obviously failed to hear.

* * *

GOVERNMENT ADMINISTRATION

REFERENCE OF MAIN ESTIMATES TO ANTI-INFLATION BOARD—POSSIBILITY OF GOVERNMENT CONFORMING TO DIRECTIVE OF BOARD

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the President of the Treasury Board. In view of the fact that section 12(1)(e) of Bill C-73 imposes on the Anti-Inflation Board the duty of commenting upon the "implications of the failure of governments to co-operate in combatting inflation", and also in view of the fact that the bill specifically provides for the law to be binding on all levels of government, would the President of the Treasury Board refer the 1977 main estimates to the AIB for an anti-inflation acid test; and in view of the 16 per cent increase would he say when he expects a reply from the board detailing what inflationary impact the proposed increase will have on government expenditure and whether there will be a revision of that expenditure?

● (1420)

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I am terribly sorry that the hon. member has so low an opinion of the House of Commons, because there will be a debate on the expenditures and so on, and I think we have provided the House with all the information required. We made a statement in December, and I am sorry the hon. members do not want to handle the problem themselves but want it referred to someone else.

Mr. Lambert (Edmonton West): Mr. Speaker, would the minister not agree that Bill C-73, being the government's own legislation, imposes a duty on the government to observe all the strictures of the Anti-Inflation Board in regard to its expenditures? In view of this legislation does the minister expect that this government will confirm with any directive from the Anti-Inflation Board and, if necessary, the administrator? This is their own machinery.

Mr. Chrétien: Mr. Speaker, we are obligated to conform with the legislation.

Mr. Lambert (Edmonton West): Why don't you then?

Mr. Chrétien: Out of 130,000 employees of government who negotiate their contracts with government we have settled with 75,000 of them all within the guidelines.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Mr. Speaker, the minister has failed to answer the question in so far as the total expenditures of government and its proposed expenditure increase of 16 per cent this year in the estimates are concerned.

* * *

ENERGY

OIL AND NATURAL GAS—POSSIBLE INCLUSION OF WELLHEAD PRICE IN ANTI-INFLATION GUIDELINES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, as one of the older leaders of a party in the House of Commons I have a question for an even older one. I address it to the right hon. Prime Minister. In light of the statement in the white paper on inflation that the government intends to permit the price of oil and gas to rise "toward world levels", and considering that the Premier of Nova Scotia has described such a position as hypocritical because of its lack of consistency with other aspects of the anti-inflation program, I would ask whether the government has given serious reconsideration to including the wellhead price of oil within the framework of the anti-inflation guidelines?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sorry I missed the beginning of the question, but I can assure the hon. member that there will be discussions with all the premiers on what the appropriate price of oil should be after the expiration of the present agreement which expires on July 1 next.

OIL—IMPACT PRICE INCREASE ON COST OF LIVING—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I will direct my supplementary question to the Minister of Energy, Mines and Resources. Can he inform the House whether the government has now decided to at least not make a commitment to raise the price of oil to world levels, and has his department or any other department of government considered the impact of an increase in the price of oil of say $2 a barrel on the cost of living, and particularly on the cost of energy in the Maritime provinces where oil is used as the major source of fuel for the production of electricity?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I am sure the hon. member realizes that as a matter of policy the government has been trying to cushion the effects of high international oil prices on the Maritime region. That region, perhaps more than any other in Canada, benefits from the cushioning, the subsidy or the compensation account. As the hon. member is fully aware, there will be discussions on this question. I think he has also indicated that we should try to cut government expenditures. He must realize that as we are becoming increasingly a net importer of oil there is a very much greater cost to the Canadian taxpayer.

Mr. Broadbent: Mr. Speaker, prior to reaching a decision, if the government has not already done so, will it undertake to make a study of the impact on the economy of Ontario, as the largest user of petroleum products, of an increase in the price of oil particularly because this will have a marked affect on the price of all manufactured goods produced in this province which must be consumed elsewhere in Canada.

Mr. Gillespie: Mr. Speaker, these are the types of questions we are taking into account as we approach the discussion to which the Prime Minister alluded.

* * *

[Translation]

NATIONAL DEFENCE

REQUEST FOR REPORT ON CONTRACT NEGOTIATIONS WITH LOCKHEED

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Minister of National Defence.

Following the international news leaks concerning Lockheed Aircraft Corporation Ltd. of the United States, the minister has met with the new directors of the company to discuss a contract of about a billion dollars. Has the minister reached any conclusion, has the contract been awarded or is the matter still under consideration?

[English]

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I think that is very similar to a question I answered yesterday. The specific details of the contract are being negotiated by my colleague, the Minister of Supply and Services, who has that responsibility. I have also met with senior officials of the Lockheed Company who have assured me there were, as I said, no commissions or payments to any Canadian connected with the purchase or proposed contract, but we are still continuing to negotiate the terms of the contract.

[*Translation*]

CONFLICT OF INTEREST

INQUIRY AS TO CONTRIBUTIONS BY LOCKHEED TO POLITICAL PARTIES—GOVERNMENT POSITION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a supplementary for the right hon. Prime Minister.

As that same Lockheed company has been accused of having paid $23 million to election campaign organizations in foreign countries, can the Prime Minister tell the House whether Lockheed contributed to the Liberal party campaign funds?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member knows that the new Canada Elections Act makes it mandatory for political parties to reveal what funds they receive. We were pleased to publish our own reports. I have not checked whether the Social Credit Party of Canada has received funds from Lockheed, but I am eager to look into the matter.

Mr. Caouette (Témiscamingue): Mr. Speaker, I have one last supplementary.

Lockheed Aircraft Corporation Ltd. stated it had given $23 million to political parties throughout the world. For the information of the Prime Minister, the Social Credit Party of Canada received no funds from that company. I am asking whether the Liberal party—I am not asking the Progressive Conservatives: they will make their reports later on—has received any money from Lockheed?

Mr. Trudeau: Mr. Speaker, I shall be pleased to check, but as I said before, reports on what the various parties got, including our own, are now published. The hon. member says he has received nothing, but I remember that, not long ago, in the House, he spoke of people who had received something, and later on changed his mind.

* * *

INDUSTRY

INQUIRY WHETHER TRICOFIL REQUESTED FINANCIAL AID

Mr. Maurice Dupras (Labelle): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce.

In view of the traditional weakness of the textile industry in Canada, and particularly in Quebec, and considering the specific problem faced at the moment by Tricofil of Saint-Jérôme following the refusal of banking institutions and credit unions to give them the credits required for the maintenance of their activities, can the minister tell the House whether he did receive a request for financial assistance from this industry of Saint-Jérôme, either under the programs of his department or through the Federal Business Development Bank?

[*English*]

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I welcome the question because it gives me an opportunity also to reply to the Leader of the Social Credit Party. The answer is that there have been no requests or any form of representation to us in the Department of Industry, Trade and Commerce by the company in question. I am still looking into it to see whether there is anything we might be able to do, but so far as I understand it the relations have been purely between the company and the Government of Quebec.

* * *

● (1430)

NATIONAL DEFENCE

REASON FOR DELAY IN STARTING SEARCH FOR MISSING FISHERMEN—POSSIBLE REASSESSMENT OF SEARCH AND RESCUE CAPABILITY

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Minister of National Defence. It is prompted by a sense of outrage over the loss of two more Canadian fishermen off Canada's east coast, making a total of six so far this year in three separate incidents. My question to the minister is whether he can explain to the House why from the time the fishing boat was reported missing on Sunday to the Halifax Rescue Centre at 7.50 p.m., it took almost 14 hours to get search aircraft into the area which was 500 miles to the east of Halifax.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the hon. member must be referring to the fishing boat, the *San Juan*. According to my information, it was accompanied by a coastguard vessel. When the National Defence forces were called on, we sent a tracker aircraft and discovered the *San Juan* which had capsized. We are not yet certain what became of the two persons who were on board. As far as I am aware, the armed forces carried out their duties with great skill and discovered this vessel.

Mr. McGrath: May I ask the minister why it took a total of 14 hours to get aircraft into the air from Halifax to the scene which was 500 miles away, and will he undertake to investigate whether or not this costly critical delay could have resulted in the loss of the lives of these two fishermen. Perhaps while he is at it I might ask the minister how many more Canadian fishermen on Canada's east coast have to die before we will have a reassessment of the search and rescue capability of the forces.

Mr. Richardson: I will look into those facts, but it certainly does not seem to me that the armed forces would need 14 hours to reach the vessel. When we examine the facts we might find that they took a much shorter time and succeeded in their mission so far as their part in air and sea rescue is concerned.

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FISHERIES

REQUEST FOR INVESTIGATION OF DELAY IN STARTING OPERATION TO RESCUE MISSING FISHERMEN

Mr. James A. McGrath (St. John's East): Mr. Speaker, my final supplementary question is for the Minister of Fisheries. The information which I just gave to the House

was given to me by the air and sea rescue centre in Halifax. May I ask the minister, who has a great deal of responsibility and a deep compassion, if he would undertake to make his own investigation into the time lag in providing an air and sea rescue operation, especially into the last three incidents which have resulted in the loss of the lives of six fishermen.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I can certainly undertake to look into this matter and do whatever I can. However, I would not want the hon. member's allegations to be taken to mean that National Defence and MOT have not helped fishermen in other circumstances, and I want it on the record that they have helped and have saved lives.

Some hon. Members: Hear, hear!

* * *

ENERGY

OIL—IMPACT OF PRICE INCREASE ON PRINCE EDWARD ISLAND

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to direct a question to the Minister of Finance and ask him if he has received special representations from the government of Prince Edward Island with regard to the expected future increase in the cost of petroleum products because of the unique position of our province in that it will not only be affected directly by any increase in the cost of petroleum products but it is dependent entirely on the electric power generated from oil and therefore is doubly affected in that regard. Is the minister giving special consideration to Prince Edward Island, at least until such time as the island's grid system can be tied into that of the other Maritime provinces?

Hon. Donald S. Macdonald (Minister of Finance): Yes, Mr. Speaker, the premiers of both provinces and the ministers of both Prince Edward Island and Nova Scotia have laid emphasis on the dependence of their systems upon imported petroleum and have pointed this out to us in past discussions. We are certainly aware of this problem and we will be considering it fully in the discussions that will be coming up during the course of the spring, both with regard to the pricing of oil and the equalization payments.

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NATIONAL DEFENCE

POSSIBLE CLOSURE OF BASES IN NOVA SCOTIA—REQUEST FOR CONSULTATION WITH PROVINCIAL AUTHORITIES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is directed to the Minister of National Defence and arises out of the concern expressed by Mr. Joe Power, president of UNDE and other municipal and provincial authorities in Nova Scotia with respect to widespread rumours, apparently well founded, that consideration is being given by the Minister of National Defence to recommending to his cabinet some time in March that CFB Greenwood be closed and that there be a substantial reduction in the number of people, both military and civilian, employed at Shearwater. Can the minister indicate to the House whether or not it is a fact that under the base closure program progress in this direction is being considered and, if it is being considered, whether or not, together with that consideration, the assured promises of this minister and his predecessors are being followed with respect to full consultations with the provincial and municipal authorities directly involved.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I believe the hon. member used the right terminology when he said there were widespread rumours. No recommendations have been made to cabinet concerning the base infrastructure study. As I have said before, we do have the objective of trying to reduce the overhead and the support services in relation to our operating capability, and that study is proceeding. It may mean the reduction of some bases, it may mean an increase in others, it may mean a consolidation of bases. I cannot comment on the individual bases concerned until the study is complete and the recommendations have been made to cabinet.

Mr. Forrestall: I apologize for my voice, Mr. Speaker. Can the Minister of National Defence indicate, just to make clear, that in fact recommendations and plans in that particular area are being considered, and can he tell the House whether those recommendations will go to cabinet in March of this year or some time later in the year?

Mr. Richardson: Mr. Speaker, I would expect the recommendations to be ready by March but I cannot say how long cabinet will wish to study them after they have been made.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRIME MINISTER OF PAKISTAN

Mr. Speaker: Order, please. Before recognizing another questioner, perhaps hon. members would want to join with me in recognizing the arrival a moment ago in our gallery of another very distinguished visitor opening his visit to Canada. I refer of course to the presence in our gallery of His Excellency Zulfikar Ali Bhutto, Prime Minister of the Islamic Republic of Pakistan.

Some hon. Members: Hear, hear!

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CANADIAN BROADCASTING CORPORATION

REASON FOR FAILURE OF FRENCH NETWORK TO GIVE ADEQUATE COVERAGE TO CONSERVATIVE CONVENTION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Parliamentary Secretary to the Secretary of State which arises out of a question asked by my colleague, the hon. member for Vaudreuil, yesterday. What is the CBC's explanation for the unsatisfactory coverage by Radio-Canada of my party's leadership

convention, the results of which will have profound effects on the future of our country?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): Mr. Speaker, I am informed that the CBC French television network covered the Progressive Conservative convention in a Thursday evening telecast and Friday evening telecast.

Mr. Lambert (Edmonton West): Only summaries.

Miss Campbell: On Saturday they gave summaries from 11.10 p.m. to 12.40 a.m. due to the fact that a simultaneous translation had to be given to the French audience. As well, on Sunday they covered the total convention from 2.30 p.m. to the end of the convention at 9.10 p.m.

REQUEST FOR INVESTIGATION OF ALLEGED BUGGING OF BALLOT COUNTING

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Would the parliamentary secretary be so good as to investigate the allegations made in the press today of the bugging of the voting during that convention by the CBC, particularly in view of the great importance we all place on the protection of privacy?

● (1440)

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am also informed by the CBC that a press release is going out in connection with this article and that the Conservative Party officials within that room mistook a transmitter for a microphone.

Some hon. Members: Oh, oh!

Miss Campbell: When they discovered the mistake, they quickly reconnected the transmitter, and the Conservatives had it reconnected. The reason the transmitter was in this particular place was that it was the centre of the arena, and for transmitting back and forth to the newsmen from the box the transmitter had to be in that particular spot. As I have already pointed out, as soon as the mistake was made the Conservatives quickly reconnected that transmitter.

Some hon. Members: Oh, oh!

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ROYAL CANADIAN MOUNTED POLICE

POSSIBILITY OF INVESTIGATION INTO ALLEGED BUGGING OF BALLOT COUNTING ROOM AT CONSERVATIVE CONVENTION

Mr. Erik Nielsen (Yukon): Mr. Speaker, my supplementary is to the Solicitor General. Have the RCMP or any other law enforcement agency investigated the reports in the written media with respect to the placing of listening devices in the ballot counting room of convention headquarters, and have any charges been laid or are any contemplated by the RCMP?

Hon. Warren Allmand (Solicitor General): Not to my knowledge, Mr. Speaker, but I will check with the RCMP to see if they have received any complaints.

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EXTERNAL AFFAIRS

REPORT OF AMNESTY INTERNATIONAL ALLEGING TORTURE IN URUGUAY—GOVERNMENT ACTION

Hon. Robert Stanbury (York-Scarborough): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Will the minister examine the report issued today by Amnesty International alleging numerous incidents of torture in Uruguay? Then, will he consider expressing to the government of Uruguay the revulsion of Canadians to this and appealing to Uruguay to accept an impartial international investigation of such allegations?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I have not seen the report, but I will investigate it as the hon. member has requested and consider the action he had recommended.

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REGIONAL ECONOMIC EXPANSION

DATE OF TABLING EATON REPORT ON FIRE IN NO. 26 COLLIERY, GLACE BAY

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I wish to direct a question to the Minister of Regional Economic Expansion, and I have informed him that I would do so. When will the minister table the Eaton report on the fire which occurred in No. 26 colliery in Glace Bay last summer?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, first of all I should like to thank the hon. member who gave me notice of his question. An investigation has been made indeed following the fire in this colliery in June 1975 but I have not yet received the report. As soon as I have it, I shall see whether it is possible to make it public.

[*English*]

REQUEST FOR SPECIAL ASSISTANCE TO DEAL WITH UNEMPLOYMENT

Mr. Andy Hogan (Cape Breton-East Richmond): In view of the fact that we are going to have the third in a series of emergency meetings on the problem of unemployment in the Cape Breton area and that this meeting, which is coming up on the first of April, will be with regard to the midterm unemployment problem, would the minister guarantee that he will give us special assistance in this matter?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Concerning the meetings which have taken place and the one referred to by the hon. member, for the purpose of finding solutions to the present unemployment

crisis in Cape Breton, the hon. member is aware that recommendations have already been made and that others are being studied by the two levels of government concerned. We all hope that decisions will eventually be made and that we shall thus be able, with all the resources at our disposal, to bring about a solution to this unemployment question. Unfortunately, as the hon. member knows, this situation is a difficult one and it does not prevail only in the area which concerns him personally but also in the entire Atlantic region.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

GOVERNMENT ACTION TO DEAL WITH OVERPAYMENTS TO CLAIMANTS

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is to the Minister of Manpower and Immigration. It refers to the estimates which were tabled in the House just recently, and in particular, the grim chapter dealing with the Unemployment Insurance Commission. To what extent will the minister's department address itself to the serious problem of overpayments to claimants, which is now estimated to be in the range of $40 million to $50 million per year?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, an answer to this question would require some detail, and in fact this has been the subject of discussion and explanation before the Standing Committee on Labour, Manpower and Immigration. When my estimates are before that committee again—that is, the estimates of the Unemployment Insurance Commission—I will be glad to set forth the very efficient methods of administration of the commission for dealing with that particular problem.

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REGIONAL ECONOMIC EXPANSION

LIAISON WITH MANPOWER IN REPORTING JOB OPPORTUNITIES IN COMPANIES FUNDED BY DEPARTMENT

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the minister of Regional Economic Expansion, and I have given him notice of it. Is there any ongoing liaison between Canada Manpower and DREE regarding enforcement of the provisions of the Regional Development Incentives Act for the reporting of job opportunities by DREE funded companies?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, obviously consultations are held between both departments concerned about job generating and opportunities offered to companies which request our department's financial assistance to help them rebuild their facilities. But it is understood that we cannot always impose workers to companies because there is a matter of qualification and other specific requirements. Generally speaking, one can say that there is a close cooperation between both departments and the possible employers.

* * *

[*English*]

TRADE

RELATIONSHIP OF INCREASE IN CHEESE IMPORTS TO CONTRACTUAL LINK WITH EUROPEAN COMMUNITY

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Prime Minister. Would the Prime Minister be prepared to say that the government policy to increase importation of cheese to 10 per cent is related to the contractual link he attempted to make with the European Economic Community?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the so-called contractual link is in the process of being negotiated. The question of trading with the European communities is, of course, linked to that, and the matter of cheese is also linked to that. However, I answered this question a few days ago to the effect that we have undertaken to increase the quota of imports, but this year, because of national circumstances, we had not increased the import but held it at the previous level.

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AGRICULTURE

POSSIBLE INCREASE IN CHEESE IMPORTS—INQUIRY AS TO AGREEMENT OF MINISTER WITH POLICY

Mr. Gordon Towers (Red Deer): Mr. Speaker, my supplementary is to the Minister of Agriculture. In view of the fact that an increase in imported cheese of 50 million pounds would automatically cut back the requirement of Canadian milk, is the minister still in full agreement with this policy, or is there a trade off and has he been had by the Prime Minister?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I do not know what the hon. member is talking about because the Prime Minister said once before in the House, and he said again today, that there would be no increase in the quota on cheese. Last year was the first time we imposed a quota on specialty cheese coming into Canada, making it 50 million pounds. That is what it is going to be this year. We had further discussions here the other day with the head of the European community about the problem we are confronting with regard to dairy surpluses. Even if we abolish the whole 50 million pounds of imports, of specialty cheeses, that would not solve the surplus problem.

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HEALTH

STUDY OF EFFECT OF RED FOOD DYE—REQUEST FOR REPORT

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the fact that scientists and government agencies in

Canada and the United States sharply disagree as to whether red food dyes are harmful to the human system, has the minister any new information on this very important subject, primarily as a result of a study conducted by his department of scientific information gathered in the United States? Has there been any conclusion reached?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have nothing further to add to what I reported in my last answer on this question. My department is still studying in detail the studies made in the United States, especially by the food and drug administration, but at the present time there is no indication of the necessity for any change in the current policy.

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POST OFFICE

STATUS OF NEGOTIATIONS WITH POSTMASTERS

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is for the Postmaster General, who seems to have had some spare time lately, so much so that one can only assume he has solved all the problems in his department. Can he inform the House of the situation with regard to the negotiations with the postmasters of Canada?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, if the question of the hon. member refers ot the Canadian Postmasters' Association, a tentative collective agreement was reached and signed last Friday. If it refers to individual postmasters who are not unionized, who are considered management but really lie in between, their salaries are under negotiation with the Treasury Board at the present moment.

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INQUIRY OF THE MINISTRY

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my supplementary question is to the Prime Minister. Could the Prime Minister consult his code of ministerial ethics to ascertain whether a cabinet minister's moonlighting over the weekend at an activity designed to replace his government at the first opportunity constitutes a conflict of interest?

Mr. Speaker: Order, please. The hon. member for Waterloo-Cambridge.

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● (1450)

FOREIGN INVESTMENT

TAKE-OVER OF CHECKERBOARD FOODS BY SWIFT CANADIAN—DATE OF DECISION BY COMBINES BRANCH

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, my question for the Minister of Industry, Trade and Commerce concerns the take-over of Checkerboard Foods by Swift Canadian. Last week the minister told the House that so far as he is concerned, FIRA had accepted the take-over and that he agreed with the decision, but that it had to be referred to the combines investigation branch for a decision on their part. My question is this: How soon can we expect an answer from the combines investigation people, because the company will close down tomorrow and there is no time to fool around between one department and another. Second, if the ruling of the combines investigation people is adverse, is the minister prepared to defend the decision of FIRA and support the company's application?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, to answer the first part of the question, we will deal with this matter on an urgent basis, I hope in the next day or two. On the question of whether I would, to use the hon. member's expression, defend the FIRA decision, let me say that I do not think the matter can be approached in precisely that way. It would be a matter of whether or not the Combines Investigation Act takes precedence in law. This is a highly technical issue and it is now being discussed.

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EXPORT DEVELOPMENT CORPORATION

DATE OF DECISION ON CONTRACT CLAUSE BOYCOTTING TRADE WITH ISRAEL

Hon. Herb Gray (Windsor West): Mr. Speaker, I, also, have a question for the Minister of Industry, Trade and Commerce. Last November 21 I asked if cabinet had completed its consideration of what its policy should be on the matter of the Export Development Corporation and the Arab boycott of Israel. The minister replied that it had not been completed, but he believed it was scheduled for consideration two or three weeks from that Monday coming. That was over nine weeks ago, the matter has been pending since last May and there still has been no decision announced by cabinet. I therefore ask him if he can now say when there will be such a decision and announcement.

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I regret the delay, but a number of urgent and pressing matters have had to be dealt with and, unfortunately, I have not had the opportunity to deal with this matter as rapidly as I would have liked. I assure the hon. member that I will deal with it as fast as I can. In the meantime, I think the position of the government on this question is well known, as enunciated by the Prime Minister.

Mr. Gray: Mr. Speaker, may I ask a supplementary question?

Mr. Speaker: Order, please.

[*Translation*]

TRADE

INQUIRY WHETHER PERMITS HAVE BEEN ISSUED FOR IMPORTATION OF POULTRY

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I wish to put a question to the Minister of Industry, Trade and Commerce.

Considering that the poultry producers' quotas will be greatly reduced during the next months, which will in turn reduce their revenue, can the minister tell the House whether his department issued licences or permits for the importation of poultry during 1975? If so, can the minister tell if he did so on the recommendation of the Minister of Agriculture?

[*English*]

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not have that information in front of me. I ask the hon. member to permit me to take the question as notice. I will give him the information as rapidly as I can.

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CRIMINAL CODE

SUGGESTED COMMITTEE STUDY OF OTHER METHODS OF APPLYING CAPITAL PUNISHMENT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Prime Minister. During the Prime Minister's recent visit to British Columbia, he raised the subject of capital punishment. He said that the possibility exists that the government will have to hang some people. As the majority of Canadians favour the return of capital punishment, but not necessarily hanging by the rope, would the Prime Minister consider having this subject matter referred to the Standing Committee on Justice and Legal Affairs, for investigation of other methods of applying capital punishment? The committee could report back to the House. I believe this would help hon. members greatly in their deliberations on this important subject.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as the House knows, we shall give first reading today to two bills, one of which will deal with this very subject. The hon. member knows my view, and I think many hon. members of this House do, that abolition will be accepted by this parliament. I would think if that does not happen, we could address ourselves to the question raised by the hon. member: how should we destroy these people.

POSSIBILITY OF VOTE OF CONFIDENCE ON CAPITAL PUNISHMENT BILL

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is addressed to the Prime Minister and is on the subject of the free vote on the bill being introduced today. The Prime Minister said in a letter sent to members of parliament that there would be a free vote on capital punishment. But the government risks defeat on the issue, in any event. As, by his statement, the Prime Minister delayed indefinitely the introduction of the bill until he had gathered the support he wants, is he not making the capital punishment vote a vote of confidence in the government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I fail to understand the argument of the hon. member. We have indicated that the whip "would not be on" for this vote. The fact that we have delayed until today is a courtesy shown to the hon. member's party.

Some hon. Members: Hear, hear!

Mr. Trudeau: They have a new leader and I expect he will meet his caucus tomorrow. Perhaps hon. members opposite can decide in their caucus if they want to make following him on this vote an issue of confidence in their leader.

Some hon. Members: Hear, hear!

Mr. Woolliams: A supplementary question, Mr. Speaker. Last week the Prime Minister said that the "whips would not be on" for the purposes of the capital punishment vote. I ask the Prime Minister what meaning he puts on this, because when he wrote to members of parliament, he told them that an adverse vote could bring down the government. So, what does he mean when he says there will be a free vote? Is he implying that there will be no whip on the back benches but only on the cabinet?

Mr. Trudeau: Mr. Speaker, the hon. member's allegations are false.

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CUSTOMS

ALLEGED DENIAL OF DUTY FREE ENTRY TO RELIGIOUS MATERIAL—GOVERNMENT ACTION

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is for the Minister of National Revenue. I know that the minister has received numerous representations expressing concern that the tariff regulations relating to imported religious materials in practice are being changed by individual customs officials. Has the minister sent, or is he prepared to send, a memo to all customs officials re-affirming his department's policy that all religious materials, especially printed material, shall enter this country duty free?

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, being a Christian, I do not want to make a mistake in talking about the Bible. I assure the hon. member that duty is not, and never has been, charged on Bibles or on any book used for the promotion of, or advancement of, a specific religion or specific religious concept. That information is known to my officials. If the hon. member will let me know of any who do not know it, I will sure let them know.

TRANSPORT

POSSIBILITY OF MEETING WITH MARITIME PREMIERS TO CLARIFY POLICY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Minister of Transport. The council of maritime premiers, meeting in its twenty first session in Bridgewater, Nova Scotia, on February 2 and 3, expressed in its press release gravest misgivings over the recent announcement by the federal Minister of Transport concerning changes in national transportation policies. They expressed special concern about the possible curtailment of rail service and other forms of transportation, which would severely reduce harbour, air and other transport facilities, thereby raising costs to consumers in the region. In light of the concern of the maritime premiers, does the minister intend to meet with the premiers, in the hope of clarifying his transport policy and allaying their fears? If so, when can we expect such a meeting?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I would, of course, be prepared to meet with the premiers. I can tell the hon. member that subsequent discussions I have had lead me to believe that their fears were allayed when they learned that the transport policy involved the upgrading of facilities which can reasonably be kept in Canada, and learned that we intend to maintain good passenger train facilities in Canada. I think the premiers were reacting to press reports based on erroneous opposition comments made at the time.

* * *

INDIAN AFFAIRS

REQUEST FOR REPORT ON NEGOTIATIONS WITH BRITISH COLUMBIA CONCERNING LAND CLAIMS AND ABORIGINAL RIGHTS

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development and relates to his meeting yesterday with the minister of labour for British Columbia who is also in charge of Indian affairs. Has the minister made new progress on the procedures to settle long outstanding cut-off land claims and on those relating to the broader question of aboriginal rights in all British Columbia?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I had a good discussion with the Hon. Allan Williams on the question of cut-off lands. I think his approach is somewhat different from that of his predecessor. In the long run it will be much more satisfactory from the Indian people's point of view.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

PROPOSED SUSPENSION OF STANDING ORDER RELATING TO PRIVATE MEMBERS' HOUR

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order concerning the first item of business which the House considered this day, the motion moved by myself, seconded by the hon. member for Malpeque, pursuant to Standing Order 43, which deals with the restoration of private member's hour by the suspension of Standing Order 15(6).

● (1500)

I am not pointing any finger, Mr. Speaker, but unfortunately someone did say no. However, from the point of view of House business, I wish to ask whether that meets with the general approval of the President of the Privy Council and whether he might consider, and perhaps consult in a way that we could succeed in the suspension of that Standing Order so that private members would have an opportunity of having their matters heard during this long session of parliament.

Mr. Sharp: Mr. Speaker, the answer, in brief, is yes. If necessary, I will bring down an order to accomplish the same purpose.

* * *

CRIMINAL LAW AMENDMENT ACT (NO. 1), 1976

MEASURES FOR BETTER PROTECTION OF CANADIAN SOCIETY AGAINST VIOLENT CRIME

Hon. Ron Basford (Minister of Justice) moved for leave to introduce Bill C-83, for the better protection of Canadian society against perpetrators of violent and other crime.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CRIMINAL LAW AMENDMENT ACT (NO. 2), 1976

MEASURE RESPECTING PUNISHMENT FOR MURDER AND OTHER SERIOUS OFFENCES

Hon. Warren Allmand (Solicitor General) moved for leave to introduce Bill C-84, to amend the Criminal Code in relation to the punishment for murder and certain other serious offences.

Motion agreed to, bill read the first time and ordered to be printed.

Order Paper Questions

ELECTORAL BOUNDARIES READJUSTMENT ACT

TABLING OF REPORT OF COMMISSION RESPECTING THE NORTHWEST TERRITORIES

Mr. Speaker: It is my duty, pursuant to section 19 of the Electoral Boundaries Readjustment Act, Chapter E-2, Revised Statutes of Canada, 1970, to lay upon the table of the House a certified copy of the report of the Electoral Boundaries Commission for the Northwest Territories.

FILING OF PETITION OBJECTING TO REPORT OF COMMISSION RESPECTING PROVINCE OF NOVA SCOTIA

Mr. Speaker: It is my duty to inform the House that an objection signed by the hon. members for Annapolis Valley (Mr. Nowlan), Brandon-Souris (Mr. Dinsdale), Grenville-Carleton (Mr. Baker), Edmonton West (Mr. Lambert), Central Nova (Mr. McKay), Norfolk-Haldimand (Mr. Knowles), Fundy-Royal (Mr. Fairweather), Malpeque (Mr. MacLean), Regina East (Mr. Balfour), and Selkirk (Mr. Whiteway), has been filed with me pursuant to section 20 of the Electoral Boundaries Readjustment Act, chapter E-2, RSC, 1970, to the report of the Electoral Boundaries Commission for the province of Nova Scotia.

If the House agrees, I would suggest we follow past practice and print the text of the objection as an appendix to this day's Votes and Proceedings. Is that agreed?

Some hon. Members: Agreed.

[*Editor's Note: For text of above petition, see today's Votes and Proceedings.*]

* * *

CANADA ELECTIONS ACT

REFERENCE TO COMMITTEE OF SUPPLEMENTARY REPORT OF CHIEF ELECTORAL OFFICER

Hon. Mitchell Sharp (President of the Privy Council) moved:

That the supplementary report of the Chief Electoral Officer, made pursuant to section 59(1) of the Canada Elections Act, dated February 13, 1976, and tabled by Mr. Speaker, February 16, 1976, be referred to the Standing Committee on Privileges and Elections.

Mr. Speaker: The President of the Privy Council requires unanimous consent for the putting of this motion at this time. Is there unanimous consent?

Some hon. Members: Agreed.

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

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[Mr. Allmand.]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,514, 3,542, 3,543, 3,647, 3,905, 3,906, 3,939, 3,952, 3,974 and 3,979.

[*Text*]

AIR CARGO RATES AND CHARGES

Question No. 3,514—**Mr. Lachance:**

1. Does it cost twelve dollars to send, by air cargo from New York to Montreal, a letter weighing one ounce in a 10″ × 13″ envelope and five dollars more to the addressee to clear the said letter at customs and, if so, for what reason?

2. Are clearance fees provided for in the Act and/or in the Regulations on Customs and Excise and, if not, does the government intend to suggest to Air Canada to end such practice?

3. Is Air Canada's air cargo tariff subject to government approval with respect to (a) the type of parcel (b) its weight (c) the category of shipment and, if not, is it subject to any external control?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Canadian Transport Commission and the Department of National Revenue as follows: 1. The minimum transportation charge for a single shipment between Montreal and New York is $12. The customs processing minimum charge of $5. is an accessorial charge for the presentation of the shipment for customs clearance.

2. Clearance fees are not provided for under the Customs Act or regulations, therefore, charges applied by Air Canada do not fall within the purview of Customs and Excise.

3. Air Canada Air Cargo Tariffs are not specifically approved by the Canadian Transport Commission, but are required to be filed in accordance with the Air Carrier Regulations and are accepted for filing by the Air Transport Committee who have the power to suspend or disallow any tariff, require an air carrier to substitute a tariff or toll satisfactory to the Committee or prescribe another tariff or toll in lieu of any tariff or toll so disallowed. Types of parcel, the weight and category of shipment are essential elements of air cargo pricing, and the carriers are prohibited from applying any rules or tolls which are not effective in tariffs published and available to the public.

PEI COMPREHENSIVE DEVELOPMENT PLAN PHASE 2

Question No. 3,542—**Mr. MacDonald (Egmont):**

With reference to the recent agreement on Phase 2 of the PEI Comprehensive Development Plan, what programmes are included which will help local, rural communities, as distinguished from sub-regional aggregates, to (a) maintain their cohesion in the face of modernization and rationalization (b) maximize participation in local decision-making (c) adapt government programmes to local needs?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: (a) All the programs in Phase 2 can help local, rural communities maintain cohesion. (b) Local decision making is a municipal-provincial matter. (c) Government programs are based on local needs. All programs are continuously monitored to allow for modification.

PEI COMPREHENSIVE DEVELOPMENT PLAN PHASE 2

Question No. 3,543—**Mr. MacDonald (Egmont):**

With reference to the agricultural sector of Phase 2 of the PEI Comprehensive Development Plan, is there any provision in the agreement for the establishment of an overall planning section in the Provincial Department of Agriculture?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: No.

DEPARTMENT OF SUPPLY AND SERVICES EMPLOYEES

Question No. 3,647—**Mr. Cossitt:**

With reference to the answer to Question No. 3,124 (a) what are the reasons for the sizeable increases in the number of employees hired in high salary brackets (b) was the government's restraint programme taken into account when the extra persons were hired (c) is it the intention of the Minister of Supply and Services to continue expansion of his Department, particularly high salaried employees, at the same rate that has applied since January 1, 1974?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): (a) On October 15, 1975, there were 161 incumbents on strength in the Department of Supply and Services who had been hired after January 1, 1974 and who were within the $20,000 or more salary range. Of these, ten were within the $30,000 or more salary range. In the $20,000 to $30,000 wage bracket, 99 persons were hired as replacements for previously incumbered positions, while 52 were hired to initially staff newly created positions. In the over $30,000 wage bracket, eight persons were hired as replacements for previously incumbered positions, while two were hired to initially staff newly created positions. The remaining increase in the number of persons in both wage brackets was due to the government-wide salary revisions which took place during the period. (b) The persons mentioned above were hired prior to the announcement of the government's restraint programme. (c) It is the intention of the Minister of Supply and Services to comply with the Treasury Board guidelines announced on December 18, 1975 in the House of Commons.

TRANSPORTATION DEVELOPMENT AGENCY FELLOWSHIP PROGRAMME—MEMORIAL UNIVERSITY, NEWFOUNDLAND

Question No. 3,905—**Mr. Marshall:**

1. Did the Directorate of Public Affairs in the Department of Transport contact Memorial University of Newfoundland to advise them of the Transportation Development Agency Fellowship Programme and, if so, on what date?

2. Have applications been received from the University and, if so, by whom were they submitted?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): 1. While the Directorate of Public Affairs did issue a press communique on this programme, it did not contact Memorial University of Newfoundland directly to advise them of the TDA Fellowship Programme. However, as indicated in the reply to question No. 3,809, the Transportation Development Agency, which administers the TDA Fellowship Programme on behalf of Transport Canada, forwarded to Memorial University information and application forms of the Fellowship Programme on November 11, 1975.

2. The Transportation Development Agency has not, to date, received applications from Memorial University.

SHIPBUILDING SUBSIDIES

Question No. 3,906—**Mr. Marshall:**

Under the federal expenditure reductions, will any of the reductions under Industry, Trade and Commerce—$15 million budgetary, affect shipbuilding subsidies in the Province of Newfoundland?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Based on applications now on hand and expected applications, we do not expect that the $15 million budgetary reductions for the fiscal year 1976-77 will affect shipyards located in the province of Newfoundland.

PARDONS FROM CRIMINAL RECORDS

Question No. 3,939—**Mr. Saltsman:**

1. How many applications for pardons from previous criminal records have been received in the past twelve months?

2. How many have been processed?

3. How many pardons have been granted in the past twelve months?

4. What is the average amount of time required from receipt of the application to the final processing?

5. For what reason does it take so long and what action can be taken to speed up the process?

Mr. Hugh Poulin (Parliamentary Secretary to Solicitor General): 1, 2 and 3. At the end of December 1974, 3,149 applications for pardon were under review. During 1975, 3,210 applications for pardon were received and 1,079 pardons were granted. At the end of December 1975, 5,660 applications were under investigation.

4. Eight to 12 months.

5. The long period of time required to process an application for pardon is due to the lengthy and complex investigation done in every case. Furthermore, this investigation involves requesting information from agencies over which we do not exercise administrative control. This situation, impeded by the ever-growing number of requests received and the limited resources with respect to staff within the Clemency and Criminal Records Act Division, has not helped to reduce the period of time required to process an application for pardon. At the present time a study is underway to review the entire process and determine if guidelines could be established which would permit shorter investigation in some circumstances. This study should also establish improved administrative systems for most stages of the investigating process. This study will also help to determine if additional staff is required to meet the ever-growing demand for pardons under the Criminal Records Act. In the meantime, manpower resources have been diverted from other branches of the National Parole Board to reduce the backlog which has accumulated for reasons noted above.

Order Paper Questions

FLIGHTS TO POINTS WEST OF NEW BRUNSWICK

Question No. 3,952—**Mr. Fairweather:**

How many passengers flew from the Saint John, New Brunswick Airport to points west of New Brunswick in (a) 1973 (b) 1974 (c) 1975 and, of these, how many were on flights to (i) Boston (ii) Montreal (iii) Toronto?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Table I following provides the requested passenger statistics based on origin statistics. These figures consist of schedule data only. Table II following provides the requested passenger statistics based on traffic flow statistics. These figures consist of scheduled data only. Table II following contains data on charter operations between Saint John and foreign points (all west of New Brunswick). Further descriptions of the above statistics appear on the attached sheets.

TABLE I

ORIGIN STATISTICS

Year	Passengers Originating in Saint John destined for points west of New Brunswick	Passengers Originating in Saint John destined for Montreal	Passengers Originating in Saint John destined for Toronto	Passengers Originating in Saint John destined for Boston
1973	49,465	14,950	16,035	4,010
1974	58,540	17,230	18,810	3,950
1975	(Data for 1975 are not yet available)			

Table I—Origin statistics refers to the first point in the itinerary (i.e. the point where the passenger first board an air carrier at the beginning of his trip).

TABLE II*

DEPARTING TRAFFIC FLOW STATISTICS

Year	Passengers next stop west of New Brunswick	Passengers next stop Montreal	Passengers next stop Toronto	Passengers next stop Boston
1973	52,609	28,460	912	23,237
1974	40,918	23,399	-***	17,519
1975**	51,300	27,100	10,200	13,000

* Table II—The traffic flow statistics in this table are the passengers on scheduled flights which departed from the Saint John airport. These passengers did not necessarily originate in Saint John. Passengers whose next stop is in the interior of New Brunswick with their ultimate destination west of New Brunswick would not be counted in these statistics.

** Annual 1975 traffic flow statistics have been estimated from 9 months of data. The 51,300 includes an estimated 1,000 passengers to Quebec City.

*** There was a small amount of traffic flying directly to Toronto in 1974 which was not contained in the traffic sample. This volume is estimated at less than 1,000 passengers.

TABLE III

DEPARTING INTERNATIONAL CHARTER PASSENGER STATISTICS

Year	Departing to points west of New Brunswick
1973	NIL
1974	333
1975	NIL (First six months)

NUMBER OF CANADIANS RECEIVING OLD AGE SECURITY PENSIONS

Question No. 3,974—**Mr. Whittaker:**

1. How many Canadians are receiving the Old Age Pension?

2. How many have a per annum income over $6,000?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. 1,954,000 as of December 31, 1975.

2. The information requested is not available in departmental records. (Note: Net income has no bearing in determining eligibility for receipt of the Old Age Security pension. Net income is a factor only in the determination of eligibility for receipt of Guaranteed Income Supplement and spouse's Allowance.)

DEPARTMENT OF AGRICULTURE—ACQUISITION OF BOAT TO SERVE MONTMAGNY AND GROSSE-ÎLE

Question No. 3,979—**Mr. Lambert (Bellechasse):**

1. Did the Department of Agriculture, in 1975, acquire a boat to serve Montmagny and Grosse-Île and, if so (a) from whom (b) at what cost?

2. Was the boat repaired or modified before being put into service and, if so (a) at what cost (b) by whom?

Hon. E. F. Whelan (Minister of Agriculture): 1. Yes. (a) Eastern Equipment Limited, P.O. Box 10, Lachine, Quebec. (b) $31,500.

2. No. (a) Not applicable; (b) Not applicable.

* * *

[*English*]

STARRED QUESTION

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call starred question No. 4,015?

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

*SLAUGHTER OF STEERS AND HEIFERS

Question No. 4,015—**Mr. Korchinski:**

1. How many steers and heifers were marketed for slaughter for the period August 12, 1974 to August 11, 1975?

2. How many applications have been received by the government for the 48 cents per hundredweight assistance (a) to December 31, 1975 (b) to date?

3. To date, what is the amount of government payments under this scheme?

[*English*]

Mr. Irénée Pelletier (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the answer is:
1. 2,509,293

2. (a) 10,311, (b) 15,996.

3. $2,840,631.36.

GOVERNMENT ORDERS

[*English*]

MEDICAL CARE ACT

AMENDMENT TO LIMIT ANNUAL INCREASE IN PER CAPITA COST OF INSURED SERVICES UNDER MEDICAL CARE PLANS

The House resumed, from Tuesday, February 17, consideration of the motion of Mr. Lalonde that Bill C-68, to amend the Medical Care Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: The hon. member for Hillsborough (Mr. Macquarrie).

Mr. Rodriguez: Mr. Speaker, I rise on a point of order. I bring to Your Honour's attention that when we were last debating this bill, I believe I called it ten o'clock.

Mr. Speaker: I am now informed that the hon. member for Nickel Belt (Mr. Rodriguez) is correct. He had the floor at the conclusion of the previous debate. The hon. member for Nickel Belt.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, when I called it ten o'clock at the conclusion of the last time we were debating this bill, I had pointed out that this party considers Bill C-68 a denial and a cutback of a right which this party fought very hard to change for the Canadian people. We fought to have in Canada a Medical Care Act which provided a basic medicare program to those provinces which chose to participate in it. It should be pointed out that the federal government contributes to the cost of medicare to the tune of 50 per cent in any program which a province embarks upon. I pointed out last time that this did not include any special provincial programs for the benefit of their citizens, such as denticare or pharmacare which are paid for 100 per cent by the provinces. The federal government does not put one nickel into those kinds of programs.

Bill C-68, which will cut the federal government's contribution to any increase in medicare costs to 13 per cent, places participating provinces on the horns of a dilemma. I previously pointed out that the province of Ontario, for example, was forced to adopt an alternative which the citizens of that province are finding very prejudicial to proper medical care. The Ontario minister of health, without any prior consultation with the communities or staffs involved, is running from hospital to hospital, followed by a coterie of press people, announcing the closing of a hospital here and a hospital there. Rather than cutting back on the federal government's contribution to medicare, this party feels that it should be increased. We should be moving into the field of preventive medicine.

This party has taken a very positive stand with regard to prevention. We have always been in favour of denticare programs because it seemed to us it was much better to identify dental problems early and embark upon remedial work amoung young patients while it was easier and less expensive to do so.

● (1510)

I have stated before that the government stands condemned for its failure to introduce any kind of program with respect to occupational hazards. In particular, the government has a responsibility for occupational health in uranium mines. On the basis of our experience in the uranium mining operation at Elliot Lake, we have pointed out that the government cannot avoid its responsibilities under the Atomic Energy Control Act. The federal government stands condemned for its failure to enforce safety standards under the act. It seems they are prepared to allow these workers to continue mining in very dangerous conditions as a result of which they end up with silicosis or cancer of the lungs. The cost is borne, finally, by the taxpayers of this country, and this is something which should not be necessary.

We have pointed out, too, that among the government's own employees, in the year 1974-75 there were 22,280 accidents which cost our taxpayers $7 million, a figure which does not include the cost of medicare. Where is the government's safety program directed at the welfare of its own workers? We feel a great deal could be done to cut costs by developing an industrial safety program in this area. Where are the priorities in this country? We are prepared to spend over a billion dollars for the Olympics. There is no stopping of the taps when it comes to that event; we let the expenditure go up and up. We saw only the other day that a parking lot for cars is to cost $60 million instead of $30 million. Bread and circuses: they will be the downfall of the government across the way. As I say, we are prepared to spend over a billion dollars for a two-week performance of muscle-building by a very select group of athletes, while we do not appear to be concerned about embarking upon a program of preventive medical care in this country.

We in this party have urged greater use of paramedics as a means of improving health standards generally. We have called attention to the fact that out-patient facilities are sadly lacking. Far from cutting back expenditure in this area, this is one direction in which we should be increasing it. The government does not need to concern itself about disciplining the provinces, bearing in mind the provinces themselves have to contribute 50 per cent of the cost of the

medicare program. In addition, they must pay 100 per cent of the cost of any special programs upon which they may choose to embark.

The party to which I belong has urged the minister responsible to withdraw this bill. We are making this suggestion again today in very positive terms. The government ought to withdraw the bill and seek ways in which to implement a program of preventive medicine, as well as means by which reasonable steps could be taken to economize, if hon. members opposite so desire. Pushing the bill through the House now can only result in actions by the provinces which will be deleterious to the health of their people; it will force them to set priorities which involve the saving of money in very narrow areas.

One would assume the government would agree that the idea of bringing together the ministers of health was a good one. After all, the party opposite has always talked about participatory democracy. What happened to that notion? If he has the health of the people in mind, it is surely not beyond the Minister of National Health and Welfare (Mr. Lalonde) to call together his provincial colleagues and talk this matter out with them once more. We know already how it is affecting the people of Ontario, for example. The minister of health of that province does not consult with the municipalities or with the communities concerned. He does not consult with the staff of the hospitals who are affected by his decisions. For dramatic effect, he drives around in a big limousine announcing he is closing this hospital or that hospital. He zaps them!

An hon. Member: What?

Mr. Rodriguez: I said "zap". By doing so, he creates a problem for the community concerned. That is not a reasonable way of determining priorities, it seems to me. I suppose it is the Liberal way of doing things.

I would direct attention, now, to a field with which we have concerned ourselves very little, the field of mental health. A reasonable way to approach this problem, it seems to me, would be by making treatment programs available to school boards to enable early identification of young people who might be encountering emotional problems so that ways could be found of helping such persons adjust to the situation. Instead of providing adequate facilities and personnel to make this possible, it seems we are prepared to let this situation boil over, and when a problem is created for society we shall simply lock these people up and throw away the key while we run around demanding what we call law and order. To my way of thinking we could spend, with advantage, a lot more money on the treatment and care of the mentally afflicted. Again, this is a subject which might well be discussed at a meeting of the health ministers.

Again I call upon the government to withdraw this bill and reconsider the whole question at a meeting with the provincial ministers, in an effort to arrive at a solution of the problem in a way which would be much more appealing and satisfactory to the people of Canada.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, it is always a responsibility for a member to address himself to an important piece of legislation. We have a great deal of legislation before us. I sometimes think we have become something of a legislative treadmill. We never seem to catch up with our order paper or get down to what we have planned to do. For instance, I think that after ten years it is time we disposed of the national anthem bill one way or the other.

• (1520)

In these times it is important to make a major effort to produce legislation of vital content. In the days of Mackenzie King and R. B. Bennett there used to be two parliamentary sessions a year. Under the President of the Privy Council (Mr. Sharp) we have two years per session, so it is very confusing as to what is priority legislation. But if I were a man capable of righteous indignation, I would be indignant about this particular bill. I do not make any pretence to being a righteous man, nor am I often indignant, but I believe this bill is the most serious, hurtful and dangerous piece of legislation that I have seen in all the years I have been here—which is now nearly a score. It is dangerous, hurtful and iniquitous because it is doing just the opposite to what the representatives of the people in this people's institution should be doing.

If there is any maxim that should govern us, which should direct those who govern the state, it is clearly that those in society who most need help should be helped the most. Today we find ourselves in the midst of an austerity program. We are in an anti-inflation mood. And who are the chief targets of the operation? The elderly people.

Not long ago, Mr. Speaker, we knocked off the unemployment roll the poor old guys who had worked for years and years. When they reached 65 years of age they were told, "It's too bad, but you are out of luck". We are now doing this with the sick. I agree with what the former speaker said. A lot of nonsense comes out of the NDP corner, and I have been listening to it for many years; but they are not always wrong. I am appalled to read about hospitals being closed. The only way that policy can be justified in a civilized society would be if we had reached the stage where the hospitals had empty beds. Yet we all know that thousands and thousands of Canadians want hospital care and are not able to get it. People all over this country have been told, "Yes, we might get you in in 9 months, 10, or perhaps 15. But unless it is a terrible emergency, unless you have a 50 per cent chance of dying tomorrow, you won't get in".

Despite all the slick optimism of a publication called "A New Perspective on the Health of Canadians", we all know that today we are not providing adequate health services for the Canadian people. To bring in a piece of legislation that is clearly designed to diminish the effectiveness and the range of services now being offered is—and I choose my words carefully—criminal injustice. It is an outrage to the sick people of this country, to the people who most need compassion, who most need care and who most need to be in the thoughts of all of us here today.

I thought my colleague from Grey-Simcoe (Mr. Mitges) came out with a very fine truism. He expressed it in a very articulate way in this debate a few days ago when he said that health is not a privilege that should be tied to the bank account of the state. I am not a stubborn man, but no one can convince me that there is any justice, rationale or wisdom in making a move to strengthen the economy by

hitting at the sick, the infirm, the aged and the ill in our society. It is repugnant, and should be repugnant to any man or woman of compassion as he or she views the needs of the Canadian people.

My former leader, the hon. member for Halifax (Mr. Stanfield), has taken part in this debate; I think it was the last speech he made on a piece of legislation in this chamber. It was very appropriate that he did enter the debate and bring to bear his great wisdom, broad experience and deep compassion. One of the great privilieges in my public life has been the opportunity of serving under the hon. member for Halifax. We in this country sometimes foolishly talk about the ideology of right and left, which actually has no bearing upon Canadian public life at all but is an imported European term. In the connection, the values and the problems relating to the people of Canada the hon. gentleman was right in the moral sense. He was just, he was compassionate and concerned. I am immensely proud of what he said the other day. During the years that he has been here as our leader he has never forsaken the same maxim I repeated at the beginning of my remarks—that a government must care for those who most need care.

I note, too, that another member who engaged in the debate was a former premier of Saskatchewan, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). He is a socialist; that is, if the NDP are still socialists. They do not talk much about that. He, too, has been a great humanitarian. He is a man who knows and cares about the problems of the poor, the dispossessed, the suffering, the infirm. I think the country should know that the two former premiers in this House spoke eloquently and with feeling on this particular measure. I endorse their views.

The hon. member who has just spoken was quite right in suggesting that this most reprehensible piece of legislation should be put in cold storage, or perhaps frozen forever, and that we should have consultation with the provinces in regard to this subject. The two major iniquities in this bill are on the side of compassion and care for people and, as my former leader said, care for confederation. You cannot build a strong country by knocking around the health services. You cannot build a healthy tomorrow by closing hospitals and forcing upon the provinces a diminution in medical care grants. You cannot build a healthy Canada if the word of the federal government given to the provinces is not respected or honoured.

I was in this House when medicare was launched. I remember very well the four-point formula that was put forward and what the spokesmen for the provinces said at that time. Many of them were reluctant to accept medicare. Some were upset, others disturbed. But in the end they had to accept, and did accept—and I believe they were right in accepting this for their people in the long run—the four-point program. Now, having gone through all that exercise, they hear that, unilaterally, the central government has changed the rules and has put upon each province a burden impossible to bear, while hurting the very people who can least stand an assault from a narrow-minded government in a belated binge of penny-pinching.

● (1530)

What is confederation but a continuing relationship of faith and understanding between constituent parties? Every province entered under special arrangements and negotiations. Some of them were under the British North America Act and some were put there subsequently; but the whole basis of this continuing experiment was that a word was given as valid. An agreement once entered upon is changed by discussions, by negotiation and not by a fiat of the office of the Minister of National Health and Welfare. That is not the way to keep the country going. Although we love our country and are filled with hopes for its future, let us not think there is something inevitable or that this country can automatically sustain the fabric of confederation, or that it is not capable of being torn apart. It is frail fabric, confederation. It always has been and it has required wisdom, moderation, consideration and concern to hold the country together.

The most important element in holding this country together is, was, and has to be, the national government, the national institutions—the very things which are common to all Canadians. If you have bad faith at the centre of the institutions of the nation, and if you have unilateral declarations and sudden fiats from one of the partners of confederation, then not only the health of the people but the health of our society, of our political institutions, of our parliamentary democracy, of politics itself and of confederation are assaulted; and this country cannot stand that kind of assault.

I should think that the Minister of National Health and Welfare (Mr. Lalonde) would prove himself a big man if he could stand up some day—perhaps today—and say, "All of us are prone to error. I and my colleagues have made a mistake. We have reflected upon it, and we are going to withdraw the bill." He would find that in this opposition group, although we are much invigorated—that is why we have such fighting, young people speaking now—we are still understanding and agreeable. We will help him withdraw, we will turn over a new page, we will redirect him to the problems so that he may come out with something sensible. Perhaps the minister could then come forth with some careful consideration. He could talk to the ministers from all the provinces and assess with them the needs of the nation. He should remember that you do not break your word and keep the country strong. You do not harass, distress and beset the suffering and build a just society, a new society or a good society.

This is an outrageous piece of legislation. It is built upon shortsightedness, a regrettable tendency toward what I am afraid is showmanship, and a break in the economy in the very area that cannot be sustained. It is bad faith, and it is tearing at the vitals of confederation.

I think the minister has tried hard in his portfolio. He has sometimes been too autocratic both inside the House and outside. I do not think he is a foolish man. I think he wants to do a decent job. But he has been far too prone to foolish optimism. The book to which I referred, "A New Perspective on the Health of Canadians", is slick, nonsensical, stupid optimism of the worst kind. The suggestion that in this country we have so many doctors we do not need any more, and we are not going to let anyone else come in, is nonsensical.

There are thousands of Canadians who today are living miles and miles from medical services; old people fearful that in the middle of winter, and perhaps in the middle of

the night, they may want the services of a doctor. My good friend, the Minister of Veterans Affairs (Mr. MacDonald)—from that prime province of the whole Dominion, Prince Edward Island—knows that there are people in that category, old people living in fear. Yet we read and hear that we have so many doctors we do not need any more. That, too, is an outrage.

It is also an outrage that as the years have gone by we have not provided for the training of more qualified medical people in this country. If we ever reach the stage—and we are a long way from it—where we have an abundance of doctors, there are, God knows, many parts of the world which could benefit from their services. Our medical schools should be enlarged and there should be more of them. We should be turning out more medical people. I have never been very attracted to the suggestion of these closed societies among certain professionals because they are, like all of us—or should be—devoted to the service of their fellow citizens rather than building closed shops.

I add my voice to those who condemn this bill, and that is a heavy word that I do not often use. I condemn it because it is wrong it terms of compassion, and I condemn it because it is dangerous to the unfolding and developing of confederation. There is no way that bad faith can be the foundation of good legislation. There is no way that aiming at the weaker elements of society, the people in need, can become just. This measure is wrong and improperly inspired, if I may use that word. It is wrong in detail, it is wrong in principle, and it is hurtful to confederation.

I make this appeal on behalf of the thousands of Canadians who need friends. It is tough enough to be sick, but it is harder when you read every day that it is going to be more and more difficult to get the kind of attention that might bring you through a debilitating illness back to that great glory of life, the feeling of good health. I say, also, that at a time when tensions within our country are very severe and the centrifugal forces are far too strong, it ill behooves the federal government to be acting in such a way toward the provinces in an area so sensitive to human need and so sensitive to the principle of confederation.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, in rising to take part in this debate on Bill C-68 I think it appropriate that, as a layman in these matters, I should try to express the feelings of some of the very able and distinguished members of the medical profession in my own constituency of Medicine Hat and perhaps of their counterparts throughout the province of Alberta. This is what I propose to do in my contribution to this important debate.

● (1540)

First of all, let us go back to Monday, June 23, 1975, when the then minister of finance presented the budget speech in the House of Commons. The minister stated that in light of the existing inflationary environment, his government was committed to restraining public expenditure. One of the major expenditure restraint programs announced in that budget was related to the two main statutory programs in the health field, namely, hospital and medical care insurance. The minister defended his government's decision to introduce controls in respect of these programs by stating that the annual increase in their cost had, on average, run well ahead of the growth of the national income and had increased 19.8 per cent over the previous year. The measures announced by the minister to control the increasing cost of health care have created a great deal of concern among the medical profession.

I propose to examine the measures designed to limit federal contributions to the provinces under the Medical Care Act and some of the potential implications of this program. In order to understand the government's program to limit federal contributions to the provinces under the Medical Care Act, it is necessary to have an understanding of the cost-sharing formula. The formula which is contained in the Medical Care Act basically calls for the government to contribute to each province half the average per capita cost of all insured services for all participating provinces, multiplied by the number of insured persons within the province. Under this formula, a major proportion of the total provincial medical care cost is provided by the federal government to those provinces in which the per capita cost of medical care is lower than the national average. The following quotation is taken directly from the minister's budget speech of last June:

> A second measure aimed at more effective cost control involves the establishment of a ceiling on the yearly rise in the contributions the federal government makes to the provinces under the Medical Care Act. Since provincial administrations will need some time to adjust their planning, this ceiling will be made effective for 1976, and subsequent years. More specifically a ceiling will be placed on the per capita rate of growth of federal contributions to provinces. This ceiling will be 13 per cent in 1976-77, 10½ per cent in 1977-78, and 8½ per cent in 1978-79, and subsequent years. The per capita approach means that varying rates of population growth between provinces, or from year to year will be automatically taken into account in total contributions to provinces.

The Medical Care Act operates under a fiscal year ending March 31. This means that the year April 1, 1975, to March 31, 1976, will be the base year upon which the ceiling for the federal contribution will be calculated. For example, if the average rate of per capita cost for medical care services is $100 in the 1975-76 fiscal year, the maximum average rate per capita cost upon which the federal government would compute payment to each province for 1976-77 would be $113.

There are two fundamental problems with the proposed federal controls as outlined in the budget speech of the minister. The proposed ceilings amount to price controls on physicians' services. No other sector of the economy had been subjected to wage or price controls at that time. Again referring to last June 23, 1975, the second major shortcoming is that the proposed price ceilings must make allowance for several variables which directly affect real physician income such as increases in utilization, increased number of physicians, overhead and inflation. Despite the lack of stability in these variables, the proposed ceilings appear to be inflexible.

Before examining the implications of the ceilings on federal contributions to Alberta, it is worth while to determine whether in fact control is justified. In his budget speech, the minister stated that the previous year federal contributions to the provinces in respect of the hospital and medical care insurance programs had to be increased 19.8 per cent over the year before. The average per capita medical care cost for the ten major provinces rose only 5.9 per cent from the fiscal year ended March 31, 1973, to the fiscal year ended March 31, 1974.

It can be shown that the annual increase in average per capita medicare costs for Canada from 1971 to 1974 averaged 6.9 per cent. From 1971 to 1974 the average annual increase in per capita GNP at market prices was 12.8 per cent. Furthermore, from June, 1971, to June, 1974, the Canadian consumer price index rose an average of 7.9 per cent annually, while average weekly wages and salaries rose 8.5 per cent annually. The increases in per capita medicare costs in Alberta have been substantially below those of Canada as a whole. From 1970 to 1974, the annual rate of increase in per capita medicare costs in Alberta averaged only 3.8 per cent. In the same period of time, per capita gross domestic product in Alberta rose 13.6 per cent annually. Further, from June, 1970, to June, 1974, the consumer price index for Edmonton and Calgary averaged an annual increase of 5.7 per cent, while average weekly wages and salaries in Alberta averaged an increase of 8.6 per cent annually.

I want to point out that the physicians of Alberta have demonstrated a great deal of responsibility in controlling increases in the cost of medicare. For example, in 1971 the per capita cost of medical care in Alberta was almost identical to the national average. By 1974, Alberta's per capita cost of medicare services was 12.6 per cent less than the national average. This has resulted in the federal government assuming a larger proportion of the total Alberta medicare costs. From 1971 to 1974, the percentage of total costs for insured services in Alberta, paid for by the federal government, increased from 48.6 per cent to 56.3 per cent because Alberta is operating at a lower cost.

Further, federal contributions, plus premiums, are almost sufficient to pay for the total cost of basic medical services. It is only when the costs of chiropractic, optometric, podiatric, oral surgery and osteopathic services, as well as Alberta health care administrative costs are added, that the province of Alberta must contribute. The province of Alberta contributed $3.9 million in 1971, $8.7 million in 1972, $10 million in 1973, and $17.5 million in 1974.

● (1550)

Mr. Speaker, the foregoing suggests that per capita medicare costs in Canada, and especially in Alberta, have not been increasing at an unreasonable rate. Furthermore, the government of Alberta has not been required to subsidize the cost of medicare to any great extent. No one denies that total health care costs are increasing rapidly, but the responsibility for these large increases does not lie with medicare payments.

Now I should like to make some comments on the increases in these medicare payments. Legislation to impose the ceiling on federal contributions as outlined in the budget speech was drafted and received first reading in the House last July 8. Bill C-68 also contains the clause which excludes new insured services from the ceiling on federal cost-sharing. A new insured service is defined as—

> a health service prescribed after June 23, 1975, by the minister pursuant to subsection 4(3) that was furnished pursuant to a medical care insurance plan of the province at a time during the first twelve months in which that health service was deemed by subsection 4(3) to be, in respect of that province, a service rendered by a medical practitioner that is medically required.

To examine the impact of Bill C-68 as it is currently written, we shall assume for the time being that the government of Alberta will not allow medicare payments to Alberta physicians to increase at a rate higher than the ceilings proposed by the federal government. I think this is a fair assumption. This would then amount to a global budgeting situation, with substantial declines in real physician income. There are several factors beyond the control of physicians which will reduce increases in average net physician income to a level far below that of the proposed ceilings. A real increase in total medicare payments to physicians should theoretically be an increase in income for providing the same number of equal medical services. Allowance must be made to pay for providing more medical services from the increase in total medicare payments as governed by the ceilings in Bill C-68. The demand for more medical services is a function of increased population and increased utilization. Another major factor in reducing average net physician income will be an increasing number of physicians sharing a limited pool of funds. Finally, rising costs of overhead will have to be paid for out of the increases as governed by Bill C-68.

To examine the combined impact of these factors upon average net physician income, taking into account the increases as proposed by Bill C-68, we shall first estimate what the future increases in the variables might be. We shall then utilize a hypothetical case to determine the proportion of the increases that the average Alberta physician would receive as increased net income. As mentioned previously, the demand for more medical services is a function of increased population and increased utilization. However, the federal government has indicated that the federal contribution to the provinces will be calculated on a per capita basis, which means that increased cost due to increasing population will not have to be accounted for within the ceilings proposed in Bill C-68.

However, no allowance has been made for increased utilization of medical services. Two major reasons for increasing utilization are that with reduced birth rates and longer life expectancy, there is a shift in the age distribution of the population toward the older segments who traditionally require more medical services. Since 1971, utilization in Alberta—measured by the total number of medical services per 1,000 persons—has increased at an average annual rate of about 2 per cent. Increases in average gross medicare payments to physicians will be considerably lower than the ceilings proposed under Bill C-68 because of increasing numbers of physicians sharing the pie. From 1964 to 1974, the number of Alberta physicians registered with the College of Physicians and Surgeons of Alberta averaged an annual increase of 5.1 per cent. From 1971 to 1974, registration with the college averaged a yearly increase of 3.7 per cent. In the same period of time, the number of physicians receiving payments from the AHCIC has increased an average of 4.3 per cent annually. It therefore seems reasonable to project that the average annual rate of increase in the number of physicians in Alberta will be approximately 4 per cent.

The Department of National Health and Welfare publication "Earnings of Physicians in Canada" reported that overhead consumed 37.4 per cent of gross professional earnings of Alberta physicians in 1972. This overhead percentage was equivalent to $16,620 of the average gross AHCIC payments to physicians in 1972. From 1972 to 1974, average gross AHCIC payments to physicians increased

only 9 per cent, while overhead costs have risen substantially in the light of inflation. The major components of increasing total overhead included increasing cost of rent, medical supplies and the unprecedented increases in salaries of allied health personnel. For example, in 1975 registered nurses received effective salary increases of about 33 per cent, certified nursing aides received a 48 per cent increase, laboratory and X-ray technologists received average increases of 35 per cent, and clerical staff in hospitals received average increases of approximately 40 per cent.

In the light of inadequate increases in average gross AHCIC payments and rapidly increasing overhead costs since 1972, it is estimated that for the average Alberta physician overhead will consume 45 per cent of professional earnings in 1975. This would represent an average 12.5 per cent annual increase in actual overhead dollars from 1972 to 1975. For the purpose of illustration, it has been conservatively estimated that overhead dollars will increase 10 per cent annually from 1976 onward.

Let us assume that the government of Alberta will not increase the proportion of total medicare costs paid for from the coffers of the province. We shall also assume that the government of Alberta is well aware that increased utilization will result in an increase in the number of medical services of approximately 2 per cent annually. It follows that the largest increase to physicians that the Alberta government would be willing to negotiate would be the federal ceiling, less 2 per cent. In other words, the maximum increase for 1976-77 would be 11 per cent, 8.5 per cent for 1977-78, and 6.5 per cent for 1978-79 and subsequent years.

To illustrate the impact of these effective ceilings on net physician income, let us assume that total payments to 2,400 Alberta physicians for insured medical care services were $120 million in the 1975-76 base year. With the previously determined estimates for increasing numbers of physicians and increasing overhead, average net physician income will increase only 4.1 per cent in 1976-77 and will actually begin to decline in 1977-78 and subsequent years. By the 1977-78 fiscal year the moneys required to compensate for increased overhead and increasing numbers of physicians will exceed the total dollar increase in medicare payments. This, of course is the reason for declining net income from 1977-78 onward.

● (1600)

This decline in average net physician income will be further exacerbated by general inflation in the economy which will reduce real net physician income. The Economic Council of Canada, in its eleventh annual review, showed that the incidence of inflation is about the same for all families, regardless of their income level. From December, 1972, to December, 1974, the consumer price index for Edmonton and Calgary rose 21.3 per cent. The latest Statistics Canada figures show that the Canadian CPI rose 11.1 per cent from July, 1974, to July, 1975. If it is conservatively estimated that the consumer price index will increase 9 per cent annually to 1980, it can be calculated that average net physician income, expressed 1975-76 constant dollars, will decline 34.5 per cent by the 1979-80 fiscal year.

[Mr. Hargrave.]

It can be shown that Bill C-68 does not adequately take into account such factors as increased population, utilization, number of physicians, overhead and inflation. If this bill is legislated, average net income in Alberta will decline substantially. This is obviously unacceptable to Alberta physicians as it can be illustrated that since the advent of medicare in Alberta the average real net income of the average physician has decreased almost 40 per cent. Alberta physicians require substantial increases in average gross income merely to regain the real net income received several years ago. I have demonstrated that there is no justification for the federal government imposing controls upon increases in medicare payments when the average annual rate of increase in per capita costs for Alberta has averaged only 3.8 per cent since 1970. A consequence of higher standards of medical care can be increased costs. If unreasonable cost controls are introduced, it is possible that health care standards could be adversely affected. Further, the physicians of Alberta may have no alternative but to look more to the patient in order to maintain income.

I think it is obvious that I cannot agree with the intent of this bill, and I certainly share the feelings which my colleague from Prince Edward Island expressed in his remarks just before mine. Surely we should at least set this bill aside until the new control and restraint policy which we are now endeavouring to put into effect has had a chance to operate.

Mr. John Gilbert (Broadview): Mr. Speaker, I am rather sorry that the hon. member for Hillsborough (Mr. Macquarrie) and the Minister of National Health and Welfare (Mr. Lalonde) are not here. In the speech of the hon. member for Hillsborough this afternoon there were colourful adjectives. He said Bill C-68 was an outrage and a criminal injustice. He said that no rational wisdom should be imposed upon the poor and the infirm. I could not agree with him more, and I suggest that the hon. member send a copy of his speech to the minister of health of Ontario, because that is the very thing the minister of health of Ontario is doing by his actions. His actions are an outrage and an imposition on the poor and the infirm in Ontario. The hon. member also said it is necessary to have discussion and negotiation with regard to Bill C-68.

The Acting Speaker (Mr. Turner): Is the hon. member for Athabasca (Mr. Yewchuk) rising on a point of order?

Mr. Yewchuk: Mr. Speaker, would the hon. member permit a question at this point?

Mr. Gilbert: When I have finished my speech I will be delighted to handle about 30 or 40 questions. That is how good I feel today. The hon. member for Hillsborough also wanted the Minister of National Health and Welfare to have discussion and negotiation with regard to Bill C-68. I ask the hon. member for Hillsborough what discussion and negotiation the Ontario minister of health had with regard to closing hospitals in Ontario. Did he have discussions with the municipalities, the workers in the hospitals, or with patients? Not for one minute. In fact, the Ontario minister of health marched across the province closing hospitals without any negotiation or discussion whatsoever. The hon. member wound up his speech by saying that

he would like the Minister of National Health and Welfare to say that he made a mistake and is prepared to correct this mistake by withdrawing the bill. Surely the hon. member for Hillsborough—

Mr. Yewchuk: Mr. Speaker, I rise on a point of order at this time to point out that the Ontario hospital closures are the direct result of federal Liberal policies.

Mr. Gilbert: Is that not an admission by the medical critic of the Conservative party? He says that just because we in Ottawa make a mistake, the minister of health in Ontario should make a mistake. Surely it is the purpose of this discussion to persuade the Minister of National Health and Welfare not to make the mistake which the Ontario minister of health is presently making. The hon. member for Hillsborough says we should withdraw the bill because there has been a mistake with regard to it. There certainly has been a mistake in Ontario, and the health critic for the Conservative party and the hon. member for Hillsborough should send copies of their speeches to the Ontario minister of health and persuade him to stop this nonsense about closing hospitals in Ontario.

Some hon. Members: Hear, hear!

Mr. Gilbert: I really did not intend to participate in this debate, but when I read in the newspapers that a result of the closing of a hospital in Toronto is the laying off of 1,200 workers, that just indicates the impact of the action which the Ontario minister of health is taking. The Doctors' Hospital is, I am sure, in the riding of one of the Liberal members—probably the hon. member for Spadina (Mr. Stollery) or perhaps the hon. member for Davenport (Mr. Caccia); I am not sure. But when I think of all the people in Ontario who depend on the Doctors' Hospital for care, hospitalization and medical services, and when I think of the Ontario minister of health, without a minute's notice, closing that hospital and affecting the patients in it, the people within the community, and causing the unemployment of 1,200 people, it is time I spoke up in this regard.

Mr. Brisco: Mr. Speaker, on a point of order, in view of the fact that during this debate we are discussing hospital closures, I wonder if the hon. member would also give us the number of closures in the province of Saskatchewan. This is pertinent to the argument he is presenting.

The Acting Speaker (Mr. Turner): I suggest we listen to the hon. member, because we might learn something.

Mr. Gilbert: I think the answer has been provided to the hon. member. Not one hospital has been closed in Saskatchewan.

Mr. Brisco: I can prove you are wrong.

Mr. Gilbert: One can see that I have the picture in focus with regard to the Ontario government closing hospitals and the effect this will have on the people of Ontario. I am sorry the Minister of National Health and Welfare is not here this afternoon, but I notice his parliamentary secretary is here and I hope he will convey my message to the minister, because the minister really deserves the snowball treatment the Ontario minister of health received. When the Ontario minister of health went out and announced what he was doing, he got a snowball reception. I challenge the Minister of National Health and Welfare to go out and tell the people of Canada what is contained in this bill and what the impact and effect of the bill will be. I am certain he will receive the same snowball treatment. He deserves snowball treatment. You will notice that after the Ontario minister of health had finished going round the province telling communities that their hospitals would be closed, he took a week's rest in the Caribbean. If the Minister of National Health and Welfare were to cross Canada and tell people the impact of this bill, he would need to take two or three weeks off in the Caribbean.

● (1610)

Mr. Nystrom: Especially if he told the red Tories.

Mr. Gilbert: The minister disappoints me. I thought he was a red Liberal. This past weekend we heard much about red Tories. I thought the minister was a red Liberal with progressive ideas. I thought he had compassion and reason. He made changes with regard to family allowances and pensions. The minister is not a red Liberal; he is a bureaucratic administrator who concentrates on efficiency and not on the development of socially valuable programs in Canada. The minister should introduce the guaranteed annual income, a socially valuable program, instead of delaying it. I suspect the government is delaying it until the next election: it will introduce the program in the next election campaign and say, "Are we not wonderful?"

What sort of man is the minister? He favours family allowances not being indexed. What a thing to do! I thought the minister was progressive and compassionate, yet he favours the elimination of family allowance indexing. Instead of doing something progressive, the minister introduced Bill C-68 which will impose strict limits on the cost-sharing of medical services and the extension of services related thereto. If he were truly progressive and compassionate he would introduce amendments to include dental care, pharmacare and physiotherapy.

Mr. Yewchuk: And dental floss.

Mr. Gilbert: He would introduce nutritional programs. He should not limit health services; he ought to expand them. When will he implement phase two of his plan for Canadian medical services, the plan set forth in a beautiful pamphlet dealing with national perspectives on health? We need more health care centres, paramedics, community clinics and financial help for hospital building programs. What has happened to these plans? Where are the amendments for including these programs in our health policies? If the minister were progressive and compassionate, he would include them. Where are the preventive medicine measures? In his opening speech the minister said we must change our life-style and environment. What has he done?

An hon. Member: He's made it cheaper to die.

Mr. Gilbert: What is the government doing to clean up our environment? How will the minister help our native peoples who suffer from mercury poisoning in Quebec, Ontario, Manitoba and the Northwest Territories? He has done nothing to help them. What will the government do to help the people at Port Hope who are affected by residual

radiation, radiation caused by the actions of a federal Crown corporation, Eldorado? What has the minister done to offset the financial losses the people of the area may have suffered? He has not done a thing.

An hon. Member: It's cheaper to die.

Mr. Gilbert: What has the minister done about lead contamination in Ontario, especially in Toronto? I notice two Toronto area Liberals in the far corner, the hon. member for Davenport and the hon. member from Scarborough. I ask them, what has the government done with regard to lead contamination in Toronto which has affected the lives of many, especially the young? The jobs of many are affected. What has the government done? I expect the minister would say, "This problem falls within provincial jurisdiction; therefore, we will do nothing about it."

Mr. Kaplan: Mr. Speaker, I rise on a point of order. Would the hon. member permit an answer?

Mr. Gilbert: Mr. Speaker, I shall be delighted to hear the parliamentary secretary when I have finished. My speech is nearing its conclusion. I shall have something to say about the parliamentary secretary too. The Minister of National Health and Welfare thinks he looks big and brave because he saved Canadians from an American football intrusion. But he has done little to correct Canadian environmental difficulties, and this makes him look small.

Let me discuss other issues which the minister raised. What has the minister done to correct drug abuse in Canada? I include cigarettes among drugs, as well as heroin, marijuana and other drugs? I will tell you: he has done little, to his shame. The minister whom we thought was progressive and compassionate is hiding behind a jurisdictional wall, saying, "Probably all we can do is introduce some kind of educational program." Is that how we are to correct this difficulty? If little or nothing is done to correct drug abuse, it will be to the minister's everlasting shame and discredit.

What has the minister done with regard to child abuse? Not long ago the minister and the Solicitor General (Mr. Allmand) appeared before the Standing Committee on Health, Welfare and Social Affairs so ably chaired by the hon. member for Toronto-Lakeshore (Mr. Robinson). Both ministers made wide-ranging speeches voicing their concern over child abuse. Both said it was necessary to correct child abuse. Last week the committee heard the testimony of two most competent witnesses on child abuse. One was Bryon Gero and the other was Professor Cyril Greenland of the Ontario Association of Professional Social Workers. They told the committee many of the problems concerning child abuse. Bryon Gero said that we need a commonly understood definition of child abuse, a central registry, provisions for mandatory reporting of child abuse and, more importantly, preventive programs. He told the committee what the Minister of National Health and Welfare ought to do if we are to correct child abuse. He said that we need demographic information concerning housing and social service needs—an excellent point.

He said that we need programs which will strengthen family life and improve social services and education—another excellent point. He said, further, that we need detection programs involving schools, police, social workers, hospitals and doctors. We need to solve premarital problems, and need assessment services which will take into account family relationships. We need marriage and group counselling services and services to examine behavioural problems. He seems to say that we need, immediately, a guaranteed income plan and better day-care programs, I hope that the parliamentary secretary, who is a member of the committee, will tell the minister what Bryon Gero told the committee and convey to the House how necessary it is to introduce the guaranteed annual income and more day-care centres if we are to eliminate child abuse.

• (1620)

We then had Professor Greenland, who indicated a research experience arising out of a program in which he studied 100 persons who were not guilty of violent crimes by reason of insanity, another 100 persons guilty and in penitentiaries for violent crimes, another 96 persons who were dangerous sexual offenders, and another 65 persons who committed murder followed by suicide. The common denominator that he found with regard to the study was that there was a severe deprivation in childhood for all these people in some of the basic cares, needs and protections that they required. He pointed out that there was a high degree of the passing on of tendencies with regard to these people who suffered severe deprivation in their childhood. He also pointed out that a great number of the cases occurred as a result of alcohol and drug abuse. I would underline that fact to the parliamentary secretary.

He also pointed out that even though there had been adequate warning in 50 per cent of the cases—in other words, from the mother or the person seeking help—there was a failure to deal with the person seeking help. He said there has not been a serious epidemic of child abuse, but if conditions prevail there is a possibility that there will be. He pointed out how much research and identification is needed, with regard to this problem, and the necessity of programs to deal with these people.

In the minds of many people throughout this country, child abuse is one area where the Minister of National Health and Welfare could make a great contribution toward lessening the impact of the problem. What does he do? I fear I know what he is going to do. He is going to say that this is within provincial jurisdiction, and the government will try their best to give a few pennies to research. Instead of stimulating the provinces to take action and supplying moneys to develop research and programs so that we can have prevention, the minister does little or nothing. This is what he has done so far.

I want to deal with what some of the Liberal members have said in their speeches, especially the Parliamentary Secretary to the Minister of Veterans Affairs (Mr. Railton). I am sorry he is not here this afternoon. He replaces another Liberal member. I am sure all who knew Don Tolmie would say that without doubt he was a concerned and compassionate person. When I hear the remarks of the parliamentary secretary they send shivers down my spine. He said that the main unserviced areas in medical care are the frontiers. I take strong exception to that statement.

If the parliamentary secretary had heard what the hon. member for Cape Breton-East Richmond (Mr. Hogan) said

with regard to the problems in East Richmond, he would realize how necessary it is to expand medical and hospital services in the maritimes. I am sure that members from Newfoundland, Quebec, the prairie provinces, the north, and British Columbia can repeat the problems that they have with regard to the shortage of medical care. When the parliamentary secretary talks about a shortage on the frontiers, he is right. However, the frontiers are not only in the outlying areas; they are in the inlying areas in the main cities.

The hon. member for Spadina, who has a constituency fairly adjacent to mine, and the hon. member for St. Paul's (Mr. Roberts), can tell you of the number of people who have related to us their problems with regard to medical and hospital care. There is not a shadow of doubt with regard to the shortage of medical hospital services in the city of Toronto. I am sure the same thing applies to other main cities across the province.

The Parliamentary Secretary to the Minister of Veterans Affairs compared Canadian medical services to United States medical services. He said that U.S. medical services are as good, if not better, than Canadian services. Any person who has experienced U.S. medical care services realizes that it is not difficult to beat or to better them. The hon. member for Winnipeg North (Mr. Orlikow) set forth the problem of a civil servant who went to Florida at Christmas with his wife and children. His child became ill and he took the child to the hospital. The greeting he received at the hospital was that if he placed $1,500 to the deposit of that hospital, they would take care of the child. A person whom I know lives in Florida a few months of the year. I asked why he did not stay there permanently. He said he could not afford to become ill in Florida; he has to come back to Canada to protect himself and his family. It is passing strange that Senator Ted Kennedy would come to Canada, study our program, praise it and want to implement it as part of the Democratic party's campaign in the next election, yet the parliamentary secretary wants us to take the American experience and the American service.

I wish to deal for a few minutes with the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Kaplan). He stated that 6.9 per cent of our gross national product goes to medicare, compared to 7.7 per cent in the United States. I ask you, Mr. Speaker, as a very reasonable and understanding person, what relationship our gross national product should have to medical services. None whatsoever. The test should be that every Canadian is entitled to full and adequate medical and hospital care. That is the test we should apply to education, pensions, housing and unemployment. Every person in Canada is entitled to employment, to decent housing, to decent medical services and to a decent pension. That should be the test. There should not be a relationship to the gross national product. I can see the parliamentary secretary shaking his head and asking, "Where are we going to get the money?" What is necessary is that we arrange our priorities to look after the basic needs of the people.

● (1630)

I was rather proud to hear the Prime Minister (Mr. Trudeau) last night on television when he dealt with the delegation from the chambers of commerce and read a few excerpts from their brief which said the government should cut its spending in this area and that area. Nowhere in the brief was there any mention of cuts in the area of corporate welfare. The government, they argued, should cut its spending in housing and on social services but should not consider for one moment cutting down the billions the corporations received.

It would be fair to ask what the NDP would do with regard to medicare. Look at our record. We stand tall and proud when we think of the medical services we have provided in Canada. Let me name them. In 1947, the member for Nanaimo-Cowichan-The Islands (Mr. Douglas) introduced hospitalization insurance in Saskatchewan. In 1962 he introduced the medicare program in Saskatchewan. The NDP has introduced medicare programs in Manitoba and in British Columbia, of which we are justly proud. We have added dental and pharmacare and we have developed community clinics and out-patient facilities which the people of those provinces appreciate and wish to protect.

Look at the Tory record. I give them credit for closing the loophole in 1958 in the Liberal legislation which stated that hospitalization programs would be constituted on a national scale when a majority of the provinces, representing a majority of the population, consented. I give the Tories credit for closing that loophole. I give them credit, too, for establishing a royal commission under the able leadership of Mr. Justice Emmett Hall. That commission produced one of the best reports on health care we have ever seen. Also, I must, reluctantly, give credit to the Liberal government under the late Lester Pearson in 1968 for finally introducing medicare insurance across the country. But when one comes to think of it, Mackenzie King said in 1919 that part of the Liberal program would be to institute hospital medical care. But it took from 1919 to 1968 to put that program into operation.

I notice that the Secretary of State for External Affairs (Mr. MacEachen) is here with us. It would be fair for me to say that he was the minister responsible for bringing forward that legislation, and for doing so he deserves the gratitude of all Canadians.

Some hon. Members: Hear, hear!

Mr. Gilbert: He is a man of concern and conviction. It is unfortunate that he is in the wrong party, but whether he is in the Liberal party or in the NDP—

An hon. Member: Perhaps he is a red Tory.

Mr. Gilbert: —at least he is a concerned individual. We have another—Senator Croll in the other House. If I ever heard of a Jeremiah, there he is, that senator. When he heard about Bill C-68, his reaction was immediate. He said, "No, no; a thousand times no." He said the bill was wrong, wrong, wrong.

Mr. Brisco: I rise on a point of order, Madam Speaker. The statement was made by myself that there had been closures of hospitals in Saskatchewan—

Some hon. Members: Order.

Mr. Brisco: Members on my left cannot stand the truth. They do not want to know the facts.

The Acting Speaker (Mrs. Morin): If the hon. member will come to his point of order, we will listen.

Mr. Brisco: It has been stated that no hospitals in Saskatchewan have been closed. The figures are these—

An hon. Member: That is not a point of order.

The Acting Speaker (Mrs. Morin): That is a matter of debate, not a point of order.

Mr. Gilbert: Madam Speaker, I have another hour and forty minutes to go. The hon. member's intervention has taken up some of my valuable time.

Some hon. Members: Hear, hear!

Mr. Gilbert: In his opening remarks, the minister said that Canada had one of the finest health systems in the world. We in the NDP will make it the finest health system in the world. Countries such as the United Kingdom, the Scandinavian countries, Holland, New Zealand, West Germany and Israel have programs which are far superior to those we have in Canada. Yet Canada is far richer than the United Kingdom and the other countries I have mentioned. It should be a matter of shame to us that we do not have the finest programs. We in the NDP would act in co-operation with the provinces, not unilaterally. We would not behave as the minister of health has done in Ontario, or as the federal minister has acted.

Before I go any further, and to protect myself, I move at this point, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That Bill C-68 be not now read a second time but that it be read a second time this day six months' hence.

I have stated that we in the NDP would act in a co-operative manner rather than unilaterally. We have noted the action taken by the federal government and by the government of Ontario—

Mr. Dinsdale: And by the Saskatchewan government.

Mr. Gilbert: I hope the hon. member for Brandon-Souris (Mr. Dinsdale) makes a speech. He looks up and gives me a pleasant smile, but I do not know whether he is with me or against me. All of us know that the provinces are now spending $1.5 billion on extra care services which are not included in the 50-50 program. We in the NDP would certainly arrange our priorities to make sure that any national medicare program would include the services which are now being paid for by the provinces. We would set our priorities in such a way as to make this possible. Can you imagine the Ontario minister of health travelling across the province closing hospitals and creating unemployment to save $50 million? Surely the government of Ontario could cut $50 million from its highways budget without the impact being felt. We in this parliament could trim the defence program. Can you imagine spending $900 million on new planes, which we are hoping to get from Lockheed, and at the same time cutting down the money devoted to hospital services?

Finally, we in the NDP would strive for efficiency by developing community clinics and alternate care facilities, because it is too expensive to keep some people in hospitals. We would develop home nursing. We would develop pharmacare to reduce costs. It is very important to control costs.

[Mr. Brisco.]

● (1640)

What worries me and the people of this country is that the control the government is imposing is not really control but a mere shifting of the burden to people who cannot pay. When I hear some hon. members talk of the imposition of deterrent fees I realize that they do not have an appreciation of what deterrent fees mean or what they will do to poor people. All that deterrent fees will do is deter people who require services and cannot pay for them, from attempting to get them. Finally, Madam Speaker, I hope that we can establish a partnership on a 50-50 basis to cost-share all the required services, so all Canadians are healthier and happier people.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): Before putting the hon. member's amendment to the House, may I inform the House that the questions to be raised tonight pursuant to Standing Order 40 are as follows: the hon. member for Parkdale (Mr. Haidasz)—Citizenship—Request that vacancies in Toronto citizenship courts be filled—Government position; the hon. member for Dartmouth-Halifax East (Mr. Forrestall)—Transport—Possible discussions on use of *Manhattan* to move oil through northern waters; the hon. member for Vaudreuil (Mr. Herbert)—Canadian Broadcasting Corporation—Alleged inadequacy of French language coverage of Conservative convention.

GOVERNMENT ORDERS

[*English*]

MEDICAL CARE ACT

AMENDMENT TO LIMIT ANNUAL INCREASE IN PER CAPITA COST OF INSURED SERVICES UNDER MEDICAL CARE PLANS

The House resumed consideration of the motion of Mr. Lalonde that Bill C-68, to amend the Medical Care Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

The Acting Speaker (Mrs. Morin): It has been moved by the hon. member for Broadview (Mr. Gilbert), seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That Bill C-68 be not now read a second time but that it be read a second time this day six months' hence.

Mr. Brisco: Madam Speaker, is it now appropriate for me, in addressing the Chair, to ask whether the hon. member for Broadview (Mr. Gilbert) would permit a question?

The Acting Speaker (Mrs. Morin): Order, please. We would need unanimous consent, since the hon. member's time has expired. Is it so agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): Would the hon. member for Broadview (Mr. Gilbert) allow a question?

Mr. Gilbert: Certainly.

Mr. Brisco: Madam Speaker, my question to the hon. member for Broadview is with reference to his remarks concerning the number of hospitals that have been closed in Saskatchewan. Would the hon. member be prepared to accept the figures of Statistics Canada, which indicate that in 1972 one hospital was closed in Saskatchewan and that in 1973 three hospitals were closed in Saskatchewan? Would he be prepared to accept the premise that in all likelihood Statistics Canada has not been able to compile the number of hospitals closed in Saskatchewan in 1975?

Mr. Gilbert: Madam Speaker, I would have thought the hon. member would have given some body and substance to his question by following it up with the reasons for these closings. I would speculate that one of the reasons is that they have developed more community clinics. It may be that there has been a shift in population from the country to the cities. I want the reason for the closings, not the mere fact that there have been closings.

What I wanted to stress was that in Ontario, where we need medical services, the Ontario minister of health deliberately closed hospitals. That is what struck me so forcibly. He closed them without even consulting the hospitals—one of the most dictatorial acts I have ever heard of. Yet the health critic for the Conservative party says, "The reason we closed them in Ontario was that the federal government brought forth Bill C-68". Madam Speaker, what an excuse! I hope that the next time the hon. member asks a question he will give it a little more strength and body by stating the reasons the hospitals were closed. I am doubly sure they were not closed because of a shortage of medical and hospital services. Rather, I suspect they were closed because there was a surplus.

[*Translation*]

Mr. Kaplan: Am I allowed to ask a last question?

[*English*]

The Acting Speaker (Mrs. Morin): The hon. member's time has expired, so it can only be done with unanimous consent. Is it so agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): Would the hon. member for Broadview allow another question?

Mr. Gilbert: Madam Speaker, I did not realize I was so popular. I would be delighted.

Medical Care Act

Mr. Kaplan: Madam Speaker, are we to assume from the hon. member's devastating attack on the policies of the Conservative government of Ontario that the NDP at Queen's Park will seek to bring down the Conservative government at the earliest opportunity?

Mr. Gilbert: Madam Speaker, did you ever hear such a question put by such a person? I would have thought that he would have told us what the leader of the Liberal party of Ontario was going to do. It is obvious what he is going to do; he is going to vote with the Conservative party.

The Acting Speaker (Mrs. Morin): I am afraid the question and the answer are outside the motion.

Hon. W. G. Dinsdale (Brandon-Souris): Madam Speaker, for one who has been in the House of Commons a number of years this is rather a sad occasion—I am taking my handkerchief out already. To see a once vigorous and creative government coasting to a conclusion in this way, even for members of the opposition brings a certain sense of sadness. I have been involved in all the debates giving rise to the excellent medicare program that we now have in Canada. The spirit of rising expectations moved us forward in 1958 when the then Conservative government—in this regard I appreciate the complimentary words of the hon. member for Broadview (Mr. Gilbert)—brought in the Hospital Insurance and Diagnostic Services Act. This was a great breakthrough in medical care for Canadians on a universal basis.

I think everyone will admit that it is the cost of hospitalization that breaks the financial back of families. Anyone who has had chronic illness in their family knows that hospital bills can leap forward to $25,000, $50,000, even to $75,000; and no family, regardless of its means, can stand financial burdens of that kind. We then came to 1968 when, based on the excellent report of Mr. Justice Emmett Hall, the Medical Care Act was passed by the Pearson government.

Now we seem to be marching backwards. When the hon. member for Halifax (Mr. Stanfield) was leader of the opposition, he put the situation in very nice perspective, using the proper words, when he said that the government was busy drowning its own brainchildren. This is yet another example. The official opposition has just been reinvigorated by the election of a new, young and energetic leader, and I am hoping that this dramatic transformation in the political affairs of the nation will reverse the trend in public affairs that has become all too obvious in recent years.

Just to quote the spirit that prevails in government ranks as expressed by the Minister of National Health and Welfare (Mr. Lalonde) as recently as 1974 when he presented his white paper on medicare in Canada, as recorded at page 5 of the report he said:

> Good health is the bedrock on which social progress is built. A nation of healthy people can do those things that make life worth while, as the level of health increases so does the potential for happiness.

● (1650)

Obviously, Bill C-68 is, as hon. members who have spoken have described it, a thoroughly bad bill and will certainly do nothing to increase the potential for happiness of the Canadian people. The Secretary of State for Exter-

nal Affairs (Mr. MacEachen), who is in the House today, made many significant and optimistic statements in respect of health care in Canada some years ago when we were waiting for contemplated action on the Hall report. He said:

> Health is not a privilege tied to the state of one's bank account, but rather a basic right which should be open to all.

I trust that the Secretary of State for External Affairs, who is busy in conversation, has not forgotten those words. Hopefully, he will take part in this debate to reinforce the spirit of enthusiasm and creativity regarding health services expressed in those remarks which he made some ten years ago.

We have all been proud of the fact that Canada has a fine and outstanding medicare program. Indeed, when Canadians tended to become slightly hyperbolic we used to say it was the finest medicare program in the world. We are now running into problems of higher and rising costs. This was to be expected, as outlined when we took part in the debate back in 1968. The hon. member for Simcoe North (Mr. Rynard) predicted this would be the case unless priorities were stressed, unless the preventive aspect of health care were stressed and unless the second stage, as it was described by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), were adopted. He said the passing of the hospital diagnostic act and the approval of the medicare act was only the beginning, and that these would do nothing to deal with the real problems of medicare and health in the nation other than to provide an adequate basis of financial support. The second and inevitable stage, with which we have really never come to grips, was the organization of a program of education and prevention that would provide the best possible medical services at the least possible cost.

This government, which has lost its zeal for the just society, has lost its momentum and is now coasting downhill to an inevitable conclusion. It has lost its vision and has come up with a simplistic solution. It has decided that putting an arbitrary ceiling on federal contributions will solve all the problems of the medicare program. This is as simplistic as the government's approach to inflation which was once described as the major attack of the government in wrestling inflation to the ground. The bill is very brief, consisting only of three pages. Its very brevity indicates that a simplistic solution has been applied to what is an extremely complex problem. To put the matter in proper perspective, perhaps we should look back on how we came to have the outstanding health care program that is Canada's resulting from action in the 1950s and 1960s.

At the time the Hospital Insurance and Diagnostic Services Act was passed in 1958 there was a great and growing need for this basic hospital care program. There was agitation for a follow up with some sort of medicare financial protection program. Based on the hospital insurance act, some provinces seized the initiative and moved into this further area of development. Saskatchewan, with a great and noisy debate, led the way. Manitoba chose the road of voluntary health insurance, as did Ontario.

I remember, at the time the Government of Canada was insisting that every province conform to the compulsory program, it was proposing there was considerable resistance on the part of the province of Manitoba because it had a very successful and broad coverage under a voluntary program operated by the physicians of Manitoba. At the federal government's insistence, Manitoba was forcefully brought into line with the federal compulsory program. This has been dealt with by several speakers as the beginning of the federal invasion into the area of provincial prerogatives in respect of health and welfare. This led to the statement of the then minister of finance in the province of Ontario, the Hon. Charles MacNaughton, who said, "We have started down the slippery slope of fiscal irresponsibility, with the result that we are now faced with a further arbitrary and almost bewildering invasion of the prerogatives of provincial jurisdiction."

No wonder provincial governments of all stripes, and without exception, reacted with indignation and bewilderment when the program was first announced in the budget last June. Let me quote the immediate response of the minister of health and social development from my own province of Manitoba. He said this in a telegram of June 25, 1975:

> Your government's decision to proceed with major changes on a unilateral basis is a serious disappointment to our province and, I assume, to most others ... Not only does the decision represent an apparent breach of our earlier understanding ... (in January)

Let me interpolate by saying the government is still confused in this time of wrestling with inflation. According to the statement of the minister of health for Manitoba, it reversed itself from decisions and agreements that had been reached at the earlier conference in January. Of course, this is not the only reversal of the government. It reversed itself 180 degrees on prices and incomes policy without any warning other than the resignation of the then minister of finance. His resignation must have been based on his disagreement with this zig-zagging approach of the Government of Canada. Let me resume the quotation as follows:

> Not only does the decision represent an apparent breach of our earlier understanding (in January) but also, and more importantly, it suggests that your government has every intention of implementing legislative changes which will cause the primary financial reponsibility for the future reform of health care and for the maintenance of existing service standards to be borne by the provincial governments and their taxpayers ... It is obvious that such a decision would represent a significant threat to our national health standards ... standards based on a system which the federal government itself initiated.

That was on June 25 last year, from the province of Manitoba. That was followed by the statement of the province of Ontario, at the Victoria conference which was mentioned this afternoon by the hon. member for Broadview.

● (1700)

It was said they have very much to lose by this change in federal government policy because a heavy financial burden will fall upon them. The hon. member for Broadview attempted to severely castigate the province of Ontario in its attempt to deal with the financial problems that are already beginning to be felt. The minister of health for Manitoba, speaking at the Victoria conference that had been convened at the request of the government of Ontario, said:

> I think they (provincial premiers) will want to know what justification the federal government has for apparently choosing to make these essential programs one of the main targets of its campaign against

inflation—even though it is obvious that the benefits these programs provide in terms of real income protection are among the most important safeguards we have against inflation for the low and middle income people in this country—and especially for the pensioners, the people who probably have been hurt worst by Ottawa's failure to bring rising prices under control.

Quebec also sent a telegram on June 25. There was an immediate response from right across the country which is being re-echoed by all speakers in the House at the present time. The minister of social affairs, the Hon. Claude E. Forget, of the Quebec Government sent a telegram in the following words:

First of all, I deplore the unilateral ceiling put on medical insurance by the federal government without warning—

There was absolutely no consultation. It was an arbitrary and a unilateral invasion of the provincial field. The quotation continues:

One must make the distinction between an economic measure favouring the Quebec taxpayer and an economic measure destined to advantage nothing but the federal treasury—the statement by (your) government belongs to this second category.

The federal government's hesitation in assuming its part of the financing of health services, in view of the present acts and agreements, shows once again how right Quebec is in favouring a fiscal transfer (of tax points) that would make the total financing responsibility coincide with the provinces complete responsibility in administering these services.

I could go on to quote from other statements by provincial ministers at the Victoria conference. Their objection and protest was universal, without exception, including the Liberal provincial administration. The Hon. Bill MacEachen minister of public health, at the Victoria conference said:

I share a good deal of the concern of my colleagues from other provinces on the announcements made by the Hon. John Turner—

If I might interpolate again, now that the bill is before us, I am sure he would be even more forthright in his protestations. So we have a government which consistently over the last eight years has followed the divisive course of confrontation rather than co-operative federalism. It has continued on this course which is dangerous to national unity in—and I go back to the statement by the Secretary of State for External Affairs—the most important area of political health of the nation, by arbitrarily moving in this way.

We will have a return to the old, basic problem of confederation in which the rich provinces will be able to opt out because of their financial resources, while the poor provinces will have to reduce the level of their medical services. The regional disparities will be exacerbated. This is one of the main reasons the government, in introducing the universality of the program in 1968, said that in some provinces the people were poorly served because they did not have adequate financial resources, whereas in the well-to-do provinces they had adequate medical service. This bill will take us backward into that unhappy situation of regional disparity.

There has been some attempt to blame the doctors for the rising cost of health care. This point has been made before, but I should like to touch briefly on it today. It has been mentioned during the debate as the main problem in respect of the rising cost of medical care. I shall in a moment be putting forward some suggestions for solutions in this regard. I wish now to come to the defence of the medical profession in Canada, because I think we are well served by our medical doctors and the people in the paramedical services.

I bring this particular point into the debate because of the difficulty that has been experienced in Manitoba in respect of the income of doctors in the past two months. There was a doctors' strike in my city of Brandon. For the first time, a professional group, the medical profession, paraded—with sandwich-boards—in front of the provincial hospital in that city. We were close to having another withdrawal of service, as the doctors were negotiating with the province of Manitoba for fair consideration of their salary position. The government started to blame the doctors for the inflationary costs in respect of medicine.

Let me put some figures on the record. If we say that the average income of a doctor is $50,000 per annum—and this is not excessive, in light of the salaries paid senior civil servants, and perhaps the attitude of the government in this regard is responsible for the inflationary pressure of salary demands among professionals—and there are some 36,000 physicians in Canada, the national gross income of physicians is approximately $1.17 billion. This means that each doctor would pay approximately $9,600 in federal taxes. This would represent a total of $346.5 million. If we look at the total of the federal transfer payments to the provinces in respect of medicare in 1974, we will find that the income tax paid by doctors amounted to 51 per cent of the total federal payment to the provincial governments.

The obvious attempt to place responsibility on the medical profession is a devious and irresponsible act on the part of the government. This problem did not come upon us suddenly: governments at the federal and provincial level have been wrestling with it for some time. The former minister of health, the present Minister of Labour (Mr. Munro), initiated a task force on the cost of health services. That task force came up with three conclusions: one, that we could deal with it by reducing the standard of medical care—which we do not want to do in Canada—or we could increase taxes. Goodness knows, that has been going on in any event and we now are to have a further increase of 18 per cent in federal fiscal expenditures, which indicates that we are off into the stratosphere of financial irresponsibility. No wonder the Auditor General, in his report last year, said that federal financing is out of control completely. This is being confirmed as the committee dealing with the Auditor General's report deals with some of the examples of an irresponsible financial policy on the part of the federal government. Taxes have been raised and still they are not enough to meet the rising cost of government.

● (1710)

The third was the positive approach which has not been tried and which is regarded as the second stage of the health program in Canada. Ways and means must be found to keep down costs, and this is the point that I would like to deal with for a few moments before I conclude my remarks. There must be an initiative on the part of the federal government in achieving ways and means to keep down the costs, and there must be co-ordination among the provinces. Only the federal government is able to deal with this program on the basis of co-operative federalism, rather

than confrontationist federalism. It is not good enough to put arbitrary ceilings on fiscal contributions to change the 50-50 formula which lured unsuspecting provincial governments into the program back in 1968. It is not good enough merely to dump the program on the provinces and tell them they have to solve it. This is precisely what Bill C-68 does.

First, I should like to deal with hospital care because it has been the worst offender. There are various ways of cutting the costs of hospital care which have never been implemented by any federal or provincial government up to the present time. We must have standards of hospital admission; this is now recognized by people in the health field. In fact, the Ontario government is busy setting up agencies throughout Ontario which would be able to deal with the problem of establishing standards for hospital admission. Ontario, rather than being criticized, should be complimented. I am sorry the hon. member for Broadview is not here, because they have pioneered in so many areas of health care in Canada that they should be receiving plaudits, not brick-bats, today.

The second area where costs should be cut is the length of bed occupancy. There is a great reluctance by patients to leave hospital once they have been able to obtain a bed, and many people in Canada have to wait weeks and even months to obtain a bed, particularly a surgical bed. Modern surgery does not agree to support the tendency present in all illness toward the invalid's complex, but prefers to get them moving and up and about as quickly as possible. So the length of bed occupancy must be taken into consideration.

The third item that could be dealt with in reducing the cost of hospital care is a review of the comprehensiveness of the medical care program. For example, should cosmetic surgery be covered under medicare? Should people who want their face lifted, for example, Madam Speaker, in order to improve their good looks, be covered under medicare? Yet this can be covered under the terms of reference as the program exists at present.

We have not begun to explore the possible savings under the home-visiting care plan. As a matter of fact, the patient recovers much more rapidly during the convalescent period in a happy home environment than he does in the sterile atmosphere of some of our hospitals. Even though the nurses are pretty, I am sure patients would find a much happier atmosphere in the home under a home-visiting care plan. Then we should do something about the provision of less costly convalescent beds. There is no necessity, during the convalescent period, to have all the costly resources of a modern hospital available. The convalescent period is merely biding one's time until he or she is able to return home and to their place of business and occupation.

Institutional care is most costly. I have been concerning myself with this matter with respect to the severely disabled and the chronically ill. I am the chairman of the Canadian Council for the Disabled which is engaged in a positive and constructive program of providing technical aids, adequate accommodation, transportation and accessibility to public buildings so that the severely disabled and the chronically ill can be assisted, some of them even to find useful and remunerative occupations. Certainly the chronically ill should be cared for in their own homes if they have the support of the home-visiting care service and some of the marvellous technical aids that are now available.

We should look at the increasing cost of diagnostic services. Another incomprehensible approach which the government is taking to the rising cost of health care is their cut-backs in funds for medical research. This is one area where the problems of major illnesses could be resolved. If it were not for funds accumulated from private contributions, the whole program of cancer research would be severely hobbled. The same with heart disease. This is Heart Fund Week, if I am correct, and hundreds of thousands of dollars will be raised in order to come up with a solution for the rising cost of heart disease.

Every year, 10,000 males between the age of 40 and 60 are cut off in the prime of life by reason of coronary heart disease. I almost joined the ranks myself a few months ago, so I know whereof I speak. This is a cost to the economy of Canada which is astronomical, and it is one of the major reasons for the uncontrollable rising costs of health care in this country. Yet the government is cutting back on its research grants.

Here is another interesting situation. Our whole life-style, instead of contributing to a sound and healthy mind and body is based upon the pursuit of affluence which negates the best rules and regulations in health care. As someone who has gone through heart surgery and has to follow a very rigid diet, I am astonished to find that it is almost impossible to follow the required diet in restaurants. I was glad to hear the president of the Canadian Restaurant Association recently criticizing the restaurants of Canada for their failure to provide a diet which would support the urgent demand for better health care through a more common sense life-style for Canadians.

● (1720)

We have the problem of drug abuse and the problem of alcohol abuse which is one of the major areas of illness in Canada. The Minister of National Health and Welfare has made noises about doing something about the rising incidence of alcoholism which is now causing much concern in the province of Ontario and other provinces as well where they hope to lower the legal age for the consumption of alcohol from 21 years of age to 18.

The Health League of Canada is a voluntary organization which has been headed by that enthusiastic crusader for many years—ever since I came into the House of Commons—Dr. Gordon Bates. We used to have an active branch of this league in the House of Commons. It was supported by some of our MD colleagues; but we have not been as active in recent years as we should have been. However, this is the sort of positive approach we should be taking to bring down the rising costs of medicare and hospital care by positive preventive programs rather than by being content with merely providing a financial support system which was the first and urgent requirement of adequate health care. But now we must move to the second stage, and that is to implement programs which will cut down escalating costs.

In concluding, I should perhaps mention some more positive ideas for the government in its state of somnambulance these days. It does not seem to be able to come up

with very many constructive and creative ideas, so perhaps we can feed a few to it. The government should consider the motion which has been moved by the hon. member for Broadview (Mr. Gilbert) for a six months' hoist. Perhaps that recommendation will be accepted. Certainly, the government should accept the recommendation which has been put forward by many speakers of the official opposition that something more positive and constructive must be implemented rather than merely shoving the blame and the responsibility on the provinces.

Here is one idea: recognizing the importance of financial control of the delivery of health services, it is proposed that a new financial partnership relationship with the provinces, in which the responsibility to manage and effectively to control these costs would be turned over to the provinces, where it belongs. Imperative to this policy decision will be an appropriate transfer of fiscal responsibilities through negotiated appropriate tax point transfers. At the same time, the provinces should allow constructive, co-ordinated entry by the Government of Canada into affairs of major concern on national health problems. I admit that the only way you can get an idea of this kind to operate is to have close co-operation and consultation, which has been the practice up until recent months in Canada.

A second proposal: for the serious Canadian health problems of mental health and drug and alcohol abuse it is proposed that a working partnership with the provinces and the professional agencies should be set up so we can quickly come to grips with these problems which are growing apace the longer we fail to deal with them. Third, with provincial acceptance and support, the Government of Canada should launch a new, all-encompassing research program under which biological and medical research, particularly in the areas of cancer and heart disease, would be intensified. As I have already indicated, instead of moving forward the government is moving backward in this regard.

Fourth, we must recognize that much research work must be done in the neglected areas of life-style and environmental health which contribute substantially to unacceptable disease levels. It would be my expectation that a national health research institute would represent a significant, well-balanced approach toward resolution of this problem. A fifth proposal would be that the federal government develop programs of prevention or education to alter the poor Canadian life-style habits as they contribute to the evolution of tragic and often fatal disease processes. In some cases, legislative intervention and action are requested to enhance healthy life-style habits. We have done this with regard to smoking. We hesitate to do it with regard to alcohol even though the minister has threatened to do so. I wish he would become active rather than merely speaking about the problem.

Sixth, governmental responsibility is supreme in the field of environmental factors affecting health. In the discussion of environmental health, specific courses of action should be taken by the government. Seventh, it is proposed that more appropriate participation by Canadian consumers in the future evolution of health policy be made by making public representation mandatory in a national institute for mental health and alcohol and drug abuse. The voluntary Health League of Canada has been doing a marvellous task with its limited resources. Now the government must give support.

Finally, as I said at the opening of my remarks, this is a sad and unhappy debate. There is much unhappiness and uncertainty in the country because of the failure of this government to provide the necessary responsible and creative leadership. There is an old proverb which says that a merry heart doeth good like medicine. I think the best thing that could happen to this country would be a change of government so that Canadians could have a little bit of happiness for a change, and the health of Canadians would improve as a result.

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, I listened with great interest to the hon. member for Brandon-Souris (Mr. Dinsdale) who made many very constructive suggestions about how we could improve our health care. I sincerely hope that many of these suggestions are taken seriously by the government and considered carefully. I also listened to the speech of the hon. member for Broadview (Mr. Gilbert). I recognize his concern and take note of the motion he moved to give the bill a six-month hoist in order that the provinces can look into this matter more thoroughly. At the outset of my remarks with regard to Bill C-68 I should like to quote from the minister's preface to the book, "A New Perspective on the Health of Canadians", as follows:

> Good health is the bedrock on which social progress is built. A nation of healthy people can do those things that make life worth while, as the level of health increases so does the potential for happiness.

I am sure few people would dispute the advantages to be gained by encouraging individuals to pursue activities aimed at reducing health hazards and increasing health awareness among all Canadians. Preventive measures must be strengthened and people urged to become more health conscious and to assume more responsibility for their own physical well-being.

This is an issue which has always been of great concern to me, and as a relatively new member of parliament, in November of 1973 I moved a motion that in the opinion of the House the government should give consideration to the sponsorship and financing of a national recreation policy, in conjunction with the provinces and municipalities, to the allocation of responsibilities for recreational programming, to the determination of land use and to the encouragement of all aspects of recreational development by local citizens under permanent, federally-assisted programs. You can appreciate my pleasure when the government introduced its working document.

● (1730)

The government should provide us with health care. It is under an obligation, to the citizens of this country, to introduce programs and facilities which will make people aware of the detrimental effects on health of lack of exercise, improper diet, the consumption of excessive amounts of alcohol, and the smoking of cigarettes. I emphasize that all this should come under one comprehensive program and not under haphazard programs, as is the case at present. Present programs lead to much duplication of work in certain areas.

It seems paradoxical that this bill should have been introduced at the present time, a bill that will have the potential for doing irreparable, major damage to the quality of medical care and Canada's medical insurance program, particularly in have-not provinces which do not operate with large budgets. Surely a program promoting increased health awareness should work in conjunction with a cohesive, beneficial medical insurance scheme. Preventive measures are much desired, and undoubtedly in the long run will serve to decrease the cost of health services. But we must also ensure that comprehensive, high quality services will continue to be available to all eligible residents of Canada.

I emphasize the point made by the hon. member for Athabasca (Mr. Yewchuk). It is totally illogical and unreasonable to freeze the Medical Research Council program. The hon. member for Brandon-Souris also mentioned this. Only with increased research and study of health problems and solutions thereto can the over-all health standard of all citizens be raised.

Canada's medical system has a fine reputation in the world. We have every right to be proud of a plan which has worked well, proved responsive, and demonstrated that it can work to the advantage of all citizens. Now it seems that the primary object of the program, the provision of health care to all Canadians, is to be sacrificed and tailored to financial exigencies of the moment rather than to medical care requirements. This policy naturally poses a major threat to the health of all Canadians.

Of utmost importance is the fact that the government has made a totally arbitrary, unilateral decision to impose budgetary ceilings on health care expenditures. The reaction of the provinces criticizing the government for its inflexibility, unilateral action, and arbitrariness in this matter is real and well founded. The need to reduce costs and control spending during this period of high inflation is not to be questioned. On the other hand the lack of prior consultation with provinces, in an effort to bring about economies in health care, ought to be questioned.

A unilateral decision was made by the federal government, contrary to the recommendations of the 1969 task force report, which suggested that consultation should take place between provincial and federal levels of government before any monetary changes in the program are made or even considered. In addition we must remember that the entire present day medical health system was forced down the throats of the provinces against their wishes. Apparently the federal government wants to opt out, to limit its contribution to cost-sharing. Its action leaves many provinces out on a limb. Small wonder the provinces are bewildered, indignant, and unanimous in opposing this legislation.

One of the main reasons for the introduction of Bill C-68 is that the government says that the cost of maintaining the present system is becoming too great. The costs are becoming unwieldy. In the budget speech of last June the then minister of finance maintained that the cost of health care had risen 20 per cent over the last year. In essence that statement was correct, but the minister neglected to mention that most of the increase was the direct result of escalating expenditures in hospital, not medical, care. In the last two years for which figures are fully available, 1972-73 and 1973-74, medical costs rose by 9.2 per cent and 7.2 per cent respectively. As well, medical care costs have decreased as a proportion of gross national expenditure. They constitute a smaller percentage of gross national product. The obvious question is: why has the federal government arbitrarily established spending ceilings on a program which has not been plagued with the sort of runaway cost increases evident in other federally-sponsored projects?

The government argues that in view of the past record of the somewhat slow increase in medical costs, the proposed ceiling is really no ceiling at all. Although expenditures appear to be under relative control the possibility still exists that there could be a rapid upturn in the capital outlay required to maintain our health standards. Many provinces claim that they need a catch-up period in order to bring their regional standards up to national levels. Such being the case, a marked increase in medical care expenditures would become evident.

The bill does not ensure economies in medical care, the very purpose for which the government imposed the ceilings. Provinces may wish to improve their health services, and doctors may demand higher salaries. As others have said, doctors are paid no more than many civil servants. In the event that either of the two situations alluded to should occur, the provinces would bear the burden of the additional capital outlay. Necessarily, premium rates will increase, or provincial revenues will have to be depleted. The third possibility is that if the provinces cannot meet this budgetary constraint, medical services will have to be reduced.

Bill C-68 may well endanger the quality and availability of medical care for Canadians. Medical care may be rationed and the increased ceilings may inhibit if not prohibit the introduction of new medical procedures and render it impossible for them to be made accessible to many individuals who would benefit greatly from them.

Recently on a trip to Calgary I visited a hospital auxiliary unit—I think that is the correct term—and was shown a very impressive piece of equipment which the unit had acquired. The people of the locality had raised money for the Foothills Hospital. Actually I was surprised to learn how many people were involved in raising money for the project. They raised money for a machine which neither the federal nor provincial governments could afford to buy for the hospital, a machine which, using a computer, will be able to detect aneurisms. It was an expensive machine, which the people bought through their own efforts.

What will the bill do to the have not provinces? The effect will be particularly detrimental to such provinces whose less developed health care programs have truly benefited from the federal-provincial cost-sharing formula.

● (1740)

We condone improved health care cost efficiency and the control of health care cost escalation. Positive steps should and must be taken. It is time for federal government initiative in health reform, but this legislation as it now stands offers no reform at all. It merely passes the buck, as it were, to the provinces without offering anything concrete in return.

Instead of imposing statutory ceilings the government should establish them by regulation which would allow an annual examination and revision, which would ensure close federal budget monitoring while at the same time it would guarantee the desired level of health standards.

The concept of establishing a tripartite committee to explore all fiscal aspects of medical financing is one that has already been mentioned by hon. members on this side of the House. Such a committee, consisting of both provincial and federal representatives as well as members of the medical profession, would play an integral part in developing the regulatory guidelines.

In the sphere of general health and hospital care the federal government should suggest specific areas in which investigation respecting need and efficiency could be carried out in conjunction with the provinces—for example, examination of the standards of hospital admission, as recently reported in the press, the length of bed occupancy in hospitals, the use of X-ray and laboratory equipment in local clinics and hospitals and, as stated by my colleague, the hon. member for Brandon-Souris, the necessity of including cosmetic surgery under medicare.

To return to the point made earlier in my remarks, the escalation of a comprehensive health awareness program would prove invaluable to an eventual decrease of health care costs. The importance of regular physical examinations to detect and treat such irregularities as heart disease cannot be over-emphasized. It is unbelievable that some people do not have a physical examination once a year. They live for years with high blood pressure and do not know it.

Media campaigns such as that conducted by the government with regard to Participaction would be good. That campaign made people aware of their physical condition. It made me aware of it. I have a friend in my small town who is about 48 years of age. Every day he goes through an intensive physical program including jogging and various other exercises. When he asked me to join him on the track, I said that I would take him up on it. I was 27.

Miss Campbell: How old are you now?

Some hon. Members: Oh, oh!

Mr. Schellenberger: I am 28 now. Anyway, we started around the quarter mile track. I went around once and made it half way around again. I could not make it any further without walking. He went around six times and then stopped to talk to me. I decided there and then that it was time I got into that type of program. I now attempt to follow it as often as possible, every day in the summer, and in the gym upstairs in the winter. How many people realize the poor shape you get into by sitting at a desk every day? The majority of Canadians suffer from a lack of physical exercise in their job.

Mr. Brisco: Take Coline with you next time.

Mr. Schellenberger: She can join me on the track any time.

Recently I have had conversations with physicians. I believe there are some duplications in their expensive equipment. One physician stated he believed that proper equipment in centrally located hospitals is a necessity and that an ambulance ride of no more than 20 or 30 minutes would be adequate. As it is now some small hospitals feel it is necessary to have all this expensive equipment.

In summary, I recognize that we should try to curb or control health care costs. However, it is my opinion and that of my colleagues that the provisions of Bill C-68, while they may in the long-run serve this end, will undoubtedly be detrimental to the entire health care program and the purpose for which it was originally established. We have an excellent system in operation at the moment here in Canada, one highly regarded by other nations. Surely we must not jeopardize it by allowing this legislation to become law, but must instead seek other methods whereby health care cost efficiency can be increased, methods that will not be injurious but beneficial to the physical well-being of Canadians.

Some hon. Members: Hear, hear!

Mr. Arnold Peters (Timiskaming): Madam Speaker, a number of years ago I would have thought it would be totally unnecessary for members of parliament to stand in this House and defend the type of medicare program we have enjoyed since 1968.

Years ago in Timmins, as a miner, I remember talking about the establishment of a health care plan for the miners in that area as the next stage in a form of insurance that then covered the miners with very limited medical service. In trying to sell the idea of a comprehensive plan for a limited number of people in a closed area, we met with violent reaction on the part of many people. There was to be a payment for this group health insurance.

The next stage was when I observed at some distance the province of Saskatchewan deciding to provide the citizens of that province with a group hospital insurance plan.

In 1968, the federal government introduced a program that was so advantageous that most provinces could not refuse to participate, even though they had never before been involved in such an extensive program. As the government was going to pay 50 per cent of their costs, they felt they had to go into the plan.

In several of the mining towns many of us had a group plan that we ourselves had operated for some years. At one time we had a doctor who lost his licence to practice because he had been guilty of procuring abortions. That doctor had been hired to assist in the operation of the plan. It was a very successful plan. But even after those years of participating in a comprehensive plan there was still violent reaction to everyone joining the Ontario plan.

It is interesting now to see the federal government trying to put on the brakes. Medical expenditures must be curtailed. This is being done by the federal government cutting down on its participation with the provinces. This is a backward step.

The federal government is doing one of two things, but has not stated which. It is either saying it is going to economise on the backs of the sick of the nation, or that the provinces should reduce the plans they have implemented because the federal government will not continue to make its contribution of 50 per cent. The federal government agreed in 1967-68 to continue to make a payment with

an increase in view, but now it suggests that over a five-year period it wishes to curtail expenditures in this field.

● (1750)

I do not believe the federal government wishes to take over medicare services in Canada. I doubt whether it would be well advised to do so.

I recall some of the silly remarks made by the Minister of National Health and Welfare (Mr. Lalonde) which certainly did not enhance his reputation with me. I can remember when contaminated meat was being sold in certain parts of the country, and his suggestion was to cook it more. I suppose this was an old Biblical or pre-Biblical quotation, something in the Talmud, according to which people did not eat certain types of meat, including pork, because they carried pestilence and infection. Their use was totally banned.

It might be possible in a few years for the minister, if he is still the responsible minister at that time, to bring in a whole list of things we are not supposed to eat because they are cancer-causing. Perhaps we shall find ourselves confronted with a whole list of these things, including charcoal broiled steaks and other items which might have some effect on our health.

The strength of a nation will be judged according to its ability to provide itself with a number of basic services. One of these must be a health service. When the world was uncivilized, emerging from the caves, those who got along best were those who knew how to cure their wounds in a manner better than their neighbours, those who could make best use of certain types of herbs or natural remedies which they were able to find. The use they made of these skills determined their type of culture to a great extent.

If we look back into history we find there were people in the world a long time ago who had developed certain skills in medical treatment to a relatively high degree, and if we examine those cultures we find they were also able to develop almost all the other facets of their civilization somewhat in keeping with their ability to provide medical services. Thousands and thousands of years ago there were physicians who could carry out operations on the brain, operations to repair broken bones, and so on. In some cases apparently abdominal surgery was undertaken; gallbladders were removed and primitive heart surgery was performed. These civilizations must have been quite highly developed. Consider the Egyptian civilization and the pre-Mexican civilization. Both had developed medical skills which enabled their people to move ahead faster than their neighbours.

It is interesting to reflect that our backward minister of health should hit out at reducing the money available for the development of health services. There is no doubt in my mind that the quality of health service across the nation is not consistent. Some people who live in Ontario's golden horseshoe suffer from restricted vision. If they cannot see a thing from the top of the new tower they have built in the city of Toronto, it doesn't exist. If they cannot see health services outside that area, they do not exist and therefore the people do not exist or, certainly, they are not entitled to the benefits available to those who live in the metropolitan area. What is happening in Ontario is only the beginning of what will happen across the nation.

[Mr. Peters.]

The provinces came into the scheme in many cases because they found it impossible to carry the total burden of providing adequate care for their people. Maybe it should not be mentioned, but there used to be a joke in the Armed Forces that if you went to one particular province you had only to buy a girl a set of false teeth and she would be your friend for life. Where that type of service is not available in a province it should be our responsibility, the responsibility of all Canadians, to provide it. Some of the provinces which are not as wealthy as the central provinces will be forced to cut down further in their provision of essential services.

It always amazes me—and I have said this to the Ontario minister of health—that we should be building new hospitals in some areas only to find, after three of four weeks of operation, on visiting those hospitals there are seven or eight beds out in the corridors. If we cannot plan far enough ahead to guess what is likely to happen in seven or eight weeks there must be something wrong with the type of planning we are doing.

We are experiencing a spot of trouble in Kirkland Lake at the present time. I am not referring to one of the hospitals they are going to close, though they did close the big hospital—parts of it were only 12 years old; they did so with the intention of building the new hospital, one which is considerably smaller. The old hospital had beds in the corridors. And again, in the new, small hospital, there are patients in the corridors.

I talked to the director of hospitals in Ontario and it was interesting to hear him say that 20 beds had been set aside for chronic care. There are hospitals in Florida where it costs $2,000 to stay. Kirkland Lake is cheap by those standards. I spent a few weeks in hospital in Ottawa and it cost well over $100 a day. It is a lot cheaper at Kirkland Lake, at $84. But it would be cheaper still to keep those people in a chronic care unit. That way you could keep three people for the price of one. May I call it six o'clock?

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Peters: Madam Speaker, before we adjourned for dinner I was pointing out that one of the difficulties in Ontario has been inability to adapt medicare to our hospital services in order to make full use of the facilities available and give the widest amount of health care in the most reasonable manner. I used the example of Kirkland Lake where a new hospital much smaller than the last has been built. A number of beds were set aside for chronic care patients; in fact almost one quarter of the hospital beds are allocated to such patients. The old hospital has been vacated. It is still owned and heated by the province and was very suitable for patients needing chronic care. This kind of care would considerably reduce medical costs. Yet we do not see fit to develop this kind of secondary service for patients who can be better cared for in chronic care hospitals. This kind of care makes less demands on surgical processes as it is a more residential type of care.

Closing hospitals in Ontario means that many persons will receive less care than previously. One of the matters of concern to the people of northern Ontario is that there is going to be a major change made in the northeastern psychiatric hospital. Ontario has never been very fair to the people in the northern part of the province so far as psychiatric care in this hospital is concerned. In my opinion this hospital was built as a monument to the representative of the area rather than as a centre providing psychiatric care. Nevertheless, it is a big facility and much better use could be made of it.

Consideration is now being given by the minister of health of Ontario to closing the facility and relocating the patients, using the hospital for some other purpose. Anyone who examines the development of that particular hospital will be made aware that we have never had adequate psychiatric care in that area. The hospital has been operated in the main by one psychiatrist, when they could have used seven or eight. The ancillary services required to operate this kind of hospital have been non-existent. People in the northeastern part of the province are well aware that the hospital may be used for some other purpose but feel it should continue to operate for the benefit of the people.

In addition to closing hospitals we are anticipating removal of the laboratory in North Bay. Although it is not a very big or important lab it is the place where specimens from my part of northern Ontario are sent. If the lab is closed it will mean these specimens will have to go to Toronto, or to a provincial lab in some other part of the province. The distance would be considerable and the process time consuming. The laboratory in North Bay has served a necessary function for the people of that area.

I believe the minister of health has traded off the health of the residents of Canada for money. He has traded off this kind of health care for a return of only $50 million. I am sure most Canadians believe that we in this nation are able to afford not reduced medicare but expanded medicare.

It is a fact that at the present time our jails contain many persons who should not be in them. I am always amused when someone makes the charge that under our parole or temporary relief system a mentally incapable person has been released and that our system has not been able to prevent this. A large number of people in jails in Canada today are not receiving adequate medical attention or psychiatric care simply because we have failed to supply the trained personnel who can give them this kind of treatment. If we did more in this field we would be able to reduce the population in our penitentiaries.

This represents no small saving, Madam Speaker. It costs a minimum of $10,000 to keep one person in jail for one year in one of our federal institutions. It would not require too many to use up the kind of return the minister is going to get from curtailing medical services.

This is also true in the field of drugs. I have been very interested in learning of some of the sentences that have been handed out in regard to drug abuse in the last two or three years. There is a tendency on the part of judges to be lenient with many of those who are not habitual drug users, or even with those who have been convicted more than once of selling drugs. I suspect this is because of one very simple fact, namely, if they are drug addicts of any kind and put into our jail system they receive absolutely no rehabilitative assistance. We have established very few half-way houses and very few centres directed toward curing some of these problems in our drug communities.

● (2010)

It seems to me the minister should be very interested in going into these fields and areas in which our young people have been affected so alarmingly in the last number of years. We have failed in many ways to provide the type of medical care we should be providing. It is wrong for the minister to say now that we are not going to meet the 50 per cent the provinces are willing to put up for the medicare programs they have established, and are not going into any additional programs or allow the provinces to go into them unless they finance them themselves.

While it is true that Ontario has a Conservative and probably a reactionary government, it is also true that other provinces will be going down the same road toward reducing medical costs because of an inability to meet added expenditures. There may well be some provinces that will make a contribution from the provincial treasury to develop or extend programs that are already in existence where there is an obvious demand for and an interest in those programs. Many of these efforts will be made in respect of those fields where people are not able to look after themselves. I suspect these efforts will be made in the psychiatric field, in respect of juvenile offenders, and in respect of the elderly. Provinces will have to face the difficulty of providing for those who cannot be cared for at home and who have to be institutionalized in one way or another.

The charge has been made that we are again establishing the idea of penalizing those who use medical services. I was always impressed by the argument put forward by a Liberal member many years ago when talking about automobile insurance. I think this argument applies equally as well to the medicare insurance program. He said he had driven an automobile for 20 or 30 years, never had an accident and had never collected one red cent from the insurance company, but that did not mean he did not believe in automobile insurance. It just meant he was fortunate enough not to have had to take advantage of the insurance for which he was paying the premium. I think that is true of medicare as well.

Those who are well surely do not object to making a contribution to the medicare scheme of this nation in order to cover all Canadians, even though they may feel they may never receive any benefit from the medicare program. This would only indicate that they expect never to be seriously ill or suffer from a lengthy sickness. Canadians generally have not made the decision to curtail medicare services. The general trend has been in the other direction.

There is great sympathy and support in all communities for the developement of day-care centres, schools for young children who have serious learning problems, and schools for young children with hypertension problems. There is a great deal of support for the establishment of schools to provide for slow learners, those hard of hearing and others suffering from all kinds of difficulties, particularly those that mainly affect young people. Much of this

support comes from the educational system at the local level, supported by the communities, because the local people are knowledgeable and concerned about the welfare of those less fortunate than themselves.

It is wrong for the minister to assume that the people of Canada do not want to extend the medicare scheme. It is irresponsible to suggest that the federal government should no longer contribute toward the extension of medicare shemes but should curtail welfare programs and their extension. The increase of 13 per cent allowed under this measure is not sufficient to meet even the increase in population. It will not in the first year meet the anticipated population growth nor the increase in demand for health services. This means we will be worse off unless the provinces contribute more than their 50 per cent share.

I should like to see the Minister of National Health and Welfare pay more attention to some of the recommendations in the Hall report. I should like to see him bring before parliament some indication from his officials that studies had been conducted which would indicate there are alternatives to the curtailment of medical services in Canada. There are other curtailments that would allow for the same or increased medical services. One might be in the form of deterrent fees, while another might be in the form of more efficient supervision within the hospital structure. It may be there are certain types of cosmetic operations that could be eliminated from the plan. There are a number of possible alternatives which would allow the minister to contribute a 50 per cent share of a universal medicare scheme for all Canadians, thus providing the kind of health services that we living in this society demand.

I was impressed by those hon. members who said during this debate that they were shocked by the minister taking pride in the fact that Canada ranks fifth or sixth in the provision of health services in the world.

An hon. Member: We are first.

Mr. Peters: Maybe I am being parochial, but I think we should be first. I have been in other countries and observed health care services there, and I know we are not first. There are many things in the Canadian medicare service the minister of national health believes to be frills which in other countries are accepted as necessary. I suggest it would be very difficult even for the Conservatives to remove some of these added benefits.

An hon. Member: Even red Tories.

Mr. Peters: Any kind, left, right or centre. I am not surprised that Conservatives are joining us in this attempt to have the minister change his mind about reductions in this field. A long time ago I heard an interesting definition of a Conservative, and I was interested in comparing that definition to the one I heard used on television in the last few days.

An old gentleman told me years ago that a Conservative was a man who fights all his life to retain what his father fought all his life to prevent. I can remember Conservatives fighting very hard a number of years ago to see that medicare was not brought into being in Canada. Now they are fighting very hard to retain it in its present form. I congratulate them for that. I sincerely believe that if there is any field to which the government should give consideration it is the field of providing and extending medical care services to the people.

● (2020)

I do not think it is possible to equate money with people's lives. I do not think we can have a healthy population if people live in unsanitary or unsuitable accommodation. I do not believe it is possible to have a healthy nation when 10 per cent or 12 per cent of the population is continually unemployed, nor do I think we can have a healthy nation when we do not provide, to the best of our ability, adequate health service to all the people. I do not think we have been providing it to the best of our ability. I believe much more could be done.

I am quite sure we should be spending ten times the amount we spend on research. I am always shocked to hear the Minister of National Health and Welfare make statements such as we now have a report from the United States saying that cyclamates are cancer-forming and that they will have to be withdrawn. We do not have any research people in Canada capable of making such a decision. We have to hear about it from the Americans. This is the reason sometimes we make a mistake in taking an item off the market and then finding we have to put it back on the market again. We have not reached the stage where we can conduct our own research in respect of food additives and so on. We do not have the research facilities and qualified staff to provide this service.

I found it interesting to hear that while there is a shortage of blood in Canada the Red Cross can sell it internationally. Now it seems we are wondering whether the blood we are sending to other countries meets our standards. I understand there is some question about this.

We hear the Minister of National Health and Welfare tell the Canadian people that hamburger is bad, that it is horse meat or that it comes from dead animals. It is suggested that it contains a large amount of bacteria but that if it is cooked for another five minutes it will not have any bad effect. If that is the kind of advice our federal Department of Health provides the Canadian people then we have not progressed too far and we are not spending too much money on the health of our nation. I think the priorities of the government are wrong.

There is no doubt in my mind that if the government wishes to curtail services in a number of fields one of these fields is the civil service. It is obviously top heavy. I have heard that there is a cut-back in the Department of Indian Affairs and Northern Development. They are not cutting back those at the top but are cutting back on the number of Indians who have been hired by the Department. That is par for the course.

There are cuts which can be made in Canada, but there are some fields in which I do not think we should compromise. Certainly health must be one of the fields in which curtailment of service is neither desirable nor feasible if we are to have a strong and healthy nation.

I was very interested to listen to the, I presume, 27-year old member this afternoon when he indicated that when he was 26 years old he could not run around a quarter mile track more than once. I am pleased to learn that he has

taken unto himself a training program that will provide fitness. I think this is a very good idea. It is something we should be looking at with a view to encouraging the Canadian people to exercise and take advantage of what I consider to be preventive measures which up to date we in this country have not taken much pain to promote.

I remember hearing the previous minister of national health and welfare talk about giving up smoking. It was supposed to be bad for the lungs and cancer-producing. But while he was lecturing the Canadian people his cigarette smoke was flying in all directions. I do not see the present minister engaging in athletic activities that would encourage our young people to follow his example. Certainly when we come back from an international series of games with only one gold medal it is obvious that we are not as developed in the athletic sense as are some other countries.

It is interesting to note that in most European countries the people engage in calisthenics and active sport from an early age, not for the purpose of beating up each other as we do in some of our sports but in order to gain athletic prowess so that the nation will have healthy people who will maintain their health in the years to come. I speak not from experience but from observation. I have reached the age at which people have heart attacks and all the other things. Since I left manual labour some years ago I certainly have not followed the kind of advice I advocate. However, there has been very little leadership given in this field.

An hon. Member: Shame!

An hon. Member: There has been leadership.

Mr. Peters: Someone said there has been leadership. The proof of the pudding is in the eating. There does not seem to be much benefit anyone can point to with pride. We have spent much money. The member who is speaking now should remember that one of the members who represented his riding before him went that way very early in life partly because of his habits and his lack of exercise. I would advise the hon. member for Nipissing (Mr. Blais) not to push it because he too may get into our age category without the benefit of the protection of an athletic program that might help him develop. I think this would be one of the most important things the Canadian parliament could do for some time to come.

I believe it is absolutely necessary that all members of parliament speak out against this unreasonable reduction. We see the minister of health for Ontario traipsing around the country closing hospitals simply because his government must curtail expenses in order to keep within the budget dictated by the federal government.

An hon. Member: Shame on the federal government.

Mr. Peters: Yes. I think it is the federal government which has caused this. I do not think they would have closed those hospitals if the federal government had continued to provide the money.

Mr. Lalonde: I rise on a point of order, Madam Speaker. The hon. member has spoken quite a bit about hospitals. This bill deals with medical care. It has nothing to do with hospital insurance. It has nothing to do with whatever the minister of health for Ontario is doing in respect of hospitals. I submit discussion of hospital costs and hospital insurance is outside the scope of the bill we are debating.

Mr. Peters: The Canadian people have now witnessed very plainly exactly why we are not satisfied with the Minister of National Health and Welfare or with the bill which is before us. He does not see any relationship between hospitals and medical care. I do not know where he thinks the money comes from in Ontario for the medical care aspect. I wonder whether we would have all the doctors and support staff we have if operations were to be carried out on someone's kitchen table.

● (2030)

Hospitals are part of the package. They are not financed by the federal government, but obviously if you rob Peter you will have to get it from Paul, or from Mark, to retain the biblical flavour. It would seem to me that the minister of health in Ontario, the same as every minister of health in Canada, is limited to the amount of money which he has available for health services in that province. If he has to pay more to medicare, he will have to take it from the hospital care budget because it will have to be a package deal and the money has to come from somewhere.

If the Minister of National Health and Welfare does not know that, then I feel sorry for him, but I am more sorry for the provincial ministers of health with whom he has to deal. If he can divide it up among them, I am sorry for them because it will not be possible for them to get what they need when they go to their respective cabinets and ask for their allotment. This has produced some very bad results in Ontario, and I think it will produce bad results all across the country. I am worried that this is likely to get progressively worse.

This legislation does not take into consideration an escalator clause in the cost of living which would normally be expected, and it does not take into consideration the population growth. These are fixed considerations which remain year after year. The criterion should be that as we increase in wealth in Canada, and as our gross national product and our productivity increase, we should be able to supply more medicare services to Canadians, not less.

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member but his time has now expired. Is the House ready for the question?

Mr. J. R. Holmes (Lambton-Kent): May I say, Madam Speaker, that I have followed this debate with great interest. Unfortunately, I have not been here for most of the speeches, but I have read them carefully and I think the majority of points have been made in this debate. However, there are a few issues with which I would like to deal for a few minutes this evening. Let me say at the outset that I believe this piece of legislation before us, in particular in view of the announcement by the former minister of finance in June that there would be renegotiation of the Hospital Diagnostic Services Act at a later date, is perhaps the most regressive legislation that I have seen introduced in the House since 1972.

I have no intention of repeating the various figures that have been supplied by many hon. members throughout this

debate. They indicate in fact that the cost of the medicare program has been below the projected figures in the past two or three years.

I have no hesitation in supporting the suggestions that have been made that we need a far more flexible arrangement between the provinces and the federal government so that we can have programs which will permit the development of either comparable or better services at a lower cost.

I have no intention this evening of entering into the numbers game, but I submit that if any province were forced by this legislation to find additional sums of money to implement the program, the obvious winner of course would be the federal government. Let me give as an example, say, the province of Ontario. I think it is quite obvious that if this bill were introduced and passed and the provincial government found it necessary to find, speaking hypothetically, $100 million to service that program and they were taxed at the rate of approximately 50 per cent, it takes little imagination and a very dull pencil to figure out who would be the benefactor.

What concerns me about this bill is that it is obviously a political struggle between the provinces and the federal government, and I believe it is at the expense of the health care system and would involve the entire social security system in Canada. I was very interested in the minister's comments when he made his speech. He found it necessary to defend this bill, particularly following the inception of the anti-inflation program which, to the casual observer, should have made this bill somewhat obsolete. I could not help but recall an article in one of the Ottawa newspapers of June 26 written by Richard Gwyn. What he said is probably coming true. He wrote:

> The sharpest pre-budget debate pitted Turner against welfare minister Marc Lalonde, the minister best able to match him on even terms. Turner wanted hospital and medical services costs curbed: Lalonde argued for his own projects, and lost. The score between these cabinet heavyweights now is Turner two, Lalonde one. Earlier this year Turner got the starting date for Lalonde's guaranteed income plan postponed, but Lalonde came back later to win cabinet approval to make a financial offer to the provinces.

I think that a good deal of the negotiations that have taken place between the federal and provincial authorities are known to us in a general way. Many of us on this side of the House who are extremely interested in the entire social security program are somewhat concerned that greater details are not available to us, not only with reference to the medicare program—I know the minister was talking about this somewhat earlier—but with reference to the total security program, because this is in fact part of that parcel.

During his speech on January 28 of this year the minister was discussing ways and means of controlling health costs and he made reference to his working document "A New Perspective on the Health of Canadians". He emphasized preventive methods and the necessity of people assuming more responsibility for monitoring and improving their health. He also emphasized the necessity of reducing health hazards in the environment. I have no difficulty in identifying with the minister's comments, and indeed I myself have spoken on these issues and on the necessity of redirecting our resources within the health care system to achieve some of the goals the minister has mentioned.

The minister knows that I approve of the approach in principle in terms of the health policy, and particularly in terms of the cornerstones of this policy when he talks about lifestyles, environmental components, the health care organization, and human biology. I think it does permit a more rational and rapid method of analysing health policies, somewhat better than the traditional breakdown we have seen in the past, when we talk about such things as preventive or rehabilitative medicine and when we talk about mental health, public health, diagnostic services, a multitude of terms used in the past. There is no question that this formula which has been talked about in the past, and which I have written about, certainly rationalizes the health care system to a greater degree than has been experienced in the past.

● (2040)

It also has the advantage of emphasizing the preventive side of health care as opposed to the more traditional curative side about which we frequently talk.

What I object to is that the minister has utilized the working paper as a smoke screen to justify the introduction of this bill. He has really not provided an adequate forum for an adequate debate, and indeed has not provided leadership in translating these words in the past year or two into action. I must emphasize to the minister that the health field concept as visualized in his working document raises far more questions than answers. Surely he must realize that the literature is filled with articles which emphasize the prevention of diseases, articles which discuss the promotion of health, and articles dealing specifically with various areas of health education, and there is no doubt that this emphasis is relevent to our current and future needs.

However, the reality of the situation is that the record thus far has not been impressive, and the minister knows that the curative bias we see in our health care system will not magically disappear in the near future, and of course will have little impact in terms of the cost which the minister would like us to believe will occur with this particular concept.

I have no intention of embarking on a philosophical discussion at this particular time as to the extent government should be involved, whether it be in environmental matters or lifestyle matters. I think this is an important debate which should take place at some point in time, but I caution the minister to assess it very carefully—and I suggest that he should have a complete understanding of the implications of this particular document he has presented on a health perspective. The risk is not in the concept, but the risk and the danger are that the concept may be misinterpreted or misused, and in the final analysis if that were to occur, it would then fail because of lack of understanding.

I believe the minister is attempting to mislead us by employing this health concept which he has introduced and by saying that savings are available; yet we know that there is not adequate statistical or epidemiological data at this time to make certain that these concepts will surely work and will surely be effective. I think it is very impor-

tant at some future date that we do have the statistical data and that we do have the epidemiological studies which are required before some of these particular decisions are made, or before governments embark on very grandiose programs which could be very costly and perhaps of little help.

There are many features of the working document and the concept which should be debated, but by way of illustration I should like briefly to look at two examples which I think would point out very clearly the lack of interest of the minister in the particular concept, or perhaps his lack of understanding of the concept, in areas in which he and the government could move in a more positive fashion.

The minister quite rightly emphasized throughout his speech the importance of the industrial safety program, and he specifically made reference to the program called LIFE, "learn industrial first aid effectively," a program which is carried out by that very superb group, the St. John Ambulance Society. However, it is more relevant to ask the minister what comprehensive program he and his department have developed in terms of industrial safety and in terms of occupational hazards. Just for a moment let me mention, for example, words like mercury poisoning, Minamata's disease, arsenic poisoning, lead poisoning and radiation poisoning. These are terms common to the tongues of all individuals. I suggest if there is an area where there is need and where federal leadership could be demonstrated in terms of environmental and lifestyle problems, surely this is such an area.

I suggest that at his first opportunity the minister present to this House his comprehensive document, if he has it, which would clearly define the policy of the government in terms of dealing with occupational hazards and safety standards, to which he referred in his speech in January.

Let me give one final example in this regard and refer to the minister's insincerity. Perhaps that is a little too harsh. I will refer to his lack of understanding of the health field concept which he has proposed. I now refer to that important concept referred to as the area of human biology. Yet if one reads his speech very carefully there is no reference to that particular cornerstone of the health field concept about which he has talked. I think it is important to understand why this was left out of the minister's speech.

Certainly since I came to the House in 1972 the minister has demonstrated very clearly that he has little or no interest in the field of medical research. I must admit that at one point after a great deal of effort in the Standing Committee on Health, Welfare and Social Affairs there was a supplementary estimate, as the hon. member for Athabasca (Mr. Yewchuk) pointed out in his speech, in which there was a freezing of funds for medical research within the past two years.

If we look at the definition of human biology, it deals principally with that area which applies to applied and pure research. Of course it also implies the implementation of measures to combat diseases which are genetic in origin or related to human biology. I think this is extremely important. As a matter of fact, if I may, I should like to quote an article from the Canadian Medical Association Journal of September, 1974, entitled "constitutional impasse has impeded health dialogue." I believe this article is as pertinent today as it was at that time. It relates to the entire area of medical research and was combined, actually, with the whole area of research at the time. If I may say so, I wrote this article in September of 1974.

However, I think it is relevant because in my view the minister again has ignored this particular problem which is part of his health field concept. I think this represents an attitude on the part of the minister and the federal government in the entire field of health. I should like to quote as follows:

> With the advent of universal hospital and medical coverage we have witnessed a rapid escalation of health costs and the inevitable platitudes demanding a more efficient, comprehensive and co-ordinated health care system.
>
> The inability to resolve the constitutional and fiscal responsibilities for health care at federal-provincial conferences has created an era of paralysis in dealing with health problems that are national in scope. Research, education and health care are the victims of this paralysis. Medical research typifies an important building block of our health care system that is seriously threatened by recent actions of the federal government.
>
> The decrease of funds in constant dollars to the Medical Research Council has created a crisis situation in the biomedical research community. The sweeping changes proposed for Canadian science in the throne speech in February have added to the uncertainty of the future role and importance of medical research. These changes and the absence of clearly defined objectives have produced instability and scepticism in many areas of science.
>
> The Medical Research Council, as an autonomous crown corporation, has been the agency responsible for the major allocation of federal support towards medical research. Successive budgets of the Medical Research Council and the Department of National Health and Welfare reveal a significant change in attitude, if not policy, towards medical research.
>
> During the late 60's, there was an expansion of the medical Research Council's budget augmented by the Health Resources Fund. The budgets reflected the need and desire to create a viable and effective Canadian health research community. The confidence experienced during that era and the hope for the future were the needed stimuli to attract scientists and provide career opportunities for young qualified students.

● (2050)

> In contrast to the late 60's, the budgets of the Medical Research Council during the 70's have seen a decline in constant dollar spending, a rejection of excellent research, cuts in personnel support programs and an increase in terminal grants. This has been accompanied by an increase of funds from the Department of National Health and Welfare for the National Health Grants Program established in 1970 to promote research into health care and the health care delivery systems, and an increase in expenditures for the non-medical use of drugs program. This shift in policy by the federal government has occurred at the expense of biomedical research and without an appreciation of the interdependence of all health research programs.
>
> The science policy announced in the throne speech—

And the announcement was extremely important.

> —constitutes substantial and significant changes that will undoubtedly have far-reaching effects in public policy. The scope and authority of the Ministry of State, Science and Technology . . . are to be broadened and strengthened to such an extent it will have the potential of a superministry virtually affecting every scientific endeavour in Canada.
>
> The proposed changes will involve government structures and future policy orientation and development. Thousands of the most able and highly qualified people in the country, together with the teaching and research institutions across Canada, will be directly affected. With the appropriation of hundreds of millions of dollars at its disposal every year, the total spectrum of research and development will be directly related to government priorities and national goals.
>
> Germane to the future of medical research is the proposed re-orientation of the Medical Research Council. The council will report to the

government through the Minister of State for Science and Technology as will the two proposed new granting councils, the Natural Science Research Council and a Social Science and Humanities Research Council. These councils will be co-ordinated by an intercouncil co-ordinating committee chaired by the secretary of MOSST and will report to the Minister of State for Science and Technology.

In the vernacular of the politician we have been assured that the Medical Research Council will remain unchanged . . .

This, as we know, is nonsense.

. . . The council is now to relate to government through a science and technology ministry; this is significant in that it will in time result in substantial changes in its function. In addition, the throne speech announcements signal new directions in government research policy and the decision by the government that the work of the various research councils and granting bodies should more directly serve its own policy objectives.

In the relatively short span of eight years, the prestigious Medical Research Council has seen a confident future replaced by financial crisis and the sanctity of autonomy founded and developed on the principle of scientific excellence threatened by internal reorganization. In addition, the Medical Research Council will be divorced from the expanding intramural and extramural research programs developed by the Department of National Health and Welfare, thereby severing the interdependence of health research, creating fragmentation.

This atmosphere of stagnation and ill-defined change has created new phenonema alien to many in the academic and research community and to the profession as a whole.

The funds for medical research have not kept pace with society's demands or the research community's expectations. There are increased difficulties in deciding to which discipline or project money should preferentially go. There is a growing feeling that the quality of the research people and the significance of their work is not recognized by the policymakers responsible for funding research. The controversy of pure versus applied research remains as a vestige of an earlier era, unresolved and ill-fitted within the framework of health care research.

The ultimate goal of all health research is to improve the health of each Canadian. Society expects—and we have the responsibility to ensure—high standards of medical education, health service and health care. Research is linked intimately to the training of professional manpower and a high-quality health care system is therefore dependent on a viable research base. Medical and health education, medical and health research and the health-care delivery system are inseparably linked.

To date there is not a national policy for medical research. The federal and provincial governments have not defined their plans and policies for health, health resources and health-care systems, nor have they indicated a policy and financial support to preserve and strengthen medical research in Canada.

Since the throne speech of 1974 there has been no evidence of a national medical research policy. Certainly the minister has not shown that in his philosophy medical research is the cornerstone of the health delivery and health care system. To my knowledge there is no science policy for Canada, and certainly no medical research policy. Both policies would be important, and their lack is most strange.

The minister has talked of the importance of our understanding human biology, but in the last two or three years has done little to make possible our increased understanding. I cannot recall a single instance of leadership in this field since the reading of the throne speech.

As I said earlier, any definition of human biology must involve a definition of genetics. Problems associated with genetics must be solved; and here again the minister could show leadership. In recent years we have made great strides in terms of the diagnosis of genetic illnesses and problems. Unfortunately, centres for the treatment of genetic difficulties are sporadically scattered across this country. That this should be so illustrates the rigidity of the Medical Care Act. I do not know how this rigidity will be eliminated, even with the amendments the minister has mentioned. The rigidity of the law has prevented federal and provincial cost-sharing in certain areas of medical care. I submit that genetic counselling centres should be widespread, and such counselling should be available right across the nation. Genetic counselling centres are scattered across the country. There is no national program of counselling, no national program of accreditation. In short, there is no leadership.

[Mr. Holmes.]

Many physicians do not know the great advances made in this field, developments which would help immeasurably many families. Many physicians do not know where to send people for genetic counselling. They do not know the location of the centres. I say this merely to show the minister's lack of interest in an area where the government should provide forceful federal leadership.

I do not want to talk in detail about genetic difficulties. But allow me, Madam Speaker, to make some suggestions to the minister with regard to genetic counselling. I suggest that the minister should consider calling a national conference at which experts in genetics could be brought together. I do not doubt but that such a conference would convince the minister of the importance of this particular field of medicine. There is an immediate role for the federal government in this area. I have talked about this particular health concept in the House in the past.

● (2100)

I have made reference to other areas to which the minister should give consideration, such as mental health, the problems of drug and alcohol abuse, cardiovascular disease, cancer, disease of the lungs, motor vehicle accidents, and problems of the aged. There are many more. However, these are some of the problems that could benefit in a very positive way by leadership from the federal government and the minister and, of course, by a rationalization of our health care system.

Time does not permit a detailed analysis of these problems, but I believe this gives some examples of the problems that could be handled by the minister and that would fit into the concept of a health care field. In my view that is being ignored by the minister. It certainly has not been fertilized by this particular bill.

As I was reading the debates I really had no intention of discussing the issue of medical manpower. I know this is of major concern to the Minister of National Health and Welfare, as it is to his counterparts in the various provinces. I know there have been innumerable discussions regarding this. However, I am prompted to make a few observations having read the speech of the hon. member for Roberval (Mr. Gauthier). I may say he made some excellent suggestions regarding the medicare bill before us. However, I was somewhat concerned about the section of his speech when he was referring to the number of doctors, specifically in the province of Quebec, and relating it to the number of doctors based on immigration. I want to quote from his speech. I quote from *Hansard* for January 28, 1976, page 10419:

The minister mentioned the increased number of physicians. In the last few years, the number of doctors has increased but I want to point

out to the minister that this increase was not due to the number of students coming out of university but to immigration. We have to import doctors because our students cannot enter university, since the key is in the hands of the College of Physicians. Today, there is a shortage of doctors. The minister said earlier that he was worried about a surplus of physicians, when actually there is a shortage. In the province of Quebec, we need 2,000 more doctors and yet our students are kept out of university. That is why we have to bring in immigrants, so that we may receive medical care from foreigners. I do not mind it, personally, I have nothing against them, but I would much rather see our French-Canadian students enter university freely. This is the one area in the province of Quebec where the situation is most dramatic.

I have a good deal of sympathy for the comments made by the hon. member, but I was most concerned about one sentence in his speech when he said:

We have to import doctors because our students cannot enter university, since the key is in the hands of the College of Physicians.

I wrote a short article on this point which happened to be printed in the February 20, 1976, edition of the Chatham *Daily News*. I think it is germane and important because there is a myth in this particular regard. I wish to quote from that article:

The Royal College of Physicians and Surgeons of Canada in presenting their brief to the Special Joint Committee of Parliament on Immigration Policy failed to address itself to the commonly held myth that the medical profession is a "closed shop" and determines the number of Canadian students admitted to medical schools.

Historically, Canada has benefited from the immigration of exceptionally talented physicians. They have played an important role in serving the public in varying capacities ranging from family physicians to leaders in the academic and research community. Interrelated with this policy of immigration is the simple economic fact that it has been less costly for government to import undergraduate students than to train them. Today foreign medical graduates now comprise about one half of all specialists certified by the College and a majority of these remain in Canada to practice their specialty.

There is, however, another side of the scenario in addition to the economic implications. First, there is the moral question of accepting a significant number of specialist physicians in particular from developing countries where their professional needs are in demand. Indeed a case can be made that Canada has developed to the point that we should be a net exporter of health services rather than an importer of health services.

The second point raised by the College is the "reverse discrimination" encouraged by our open door policy in which it is possible for foreign medical graduates to enter our system, while at the same time this privilege is denied highly qualified Canadian students who are unable to gain entrance into Canadian medical schools because of a large number of applicants with superior scholastic records.

Of course, Madam Speaker, this is the very point to which the hon. member was referring.

The brief states: "Canada should move toward training enough undergraduate medical students to meet the needs of the country as a whole. We should look forward to being able to say to Canadian citizens, 'There are enough Canadian medical students to satisfy our needs, there are enough graduate programmes to satisfy their requirements if they all stay in Canada, and there are enough jobs for all if they choose to stay here.' Some will go to the United States, Britain or Europe. We will be able to accommodate some foreign medical graduates of a calibre equal to our own. There will continue to be movement across national borders."

The long term goal for Canada has been adequately outlined in the College's summary. Canada should be self-sufficient in physician manpower, maintaining a balance and ongoing emigration of specialist physicians, and adhering to the historical tradition that this country welcomes talented new citizens.

As I was saying, Madam Speaker, I do not want to get into the area of medical manpower, but I felt for the record it was important to destroy the myth which should have been destroyed by the college itself, but was ignored.

I want to turn for a moment to what I believe is a very basic question which has been avoided in this entire debate. The question is simply how much influence should economics have on the treatment of patients. This does not imply that the Minister of National Health and Welfare, his provincial counterparts, or indeed anyone who thinks about the problem, or any thoughtful Canadians are not concerned about receiving full value for each dollar that is spent in the health care delivery system. This does not decry the importance and the necessity of seeking alternative measures to replace high cost services with low cost services without affecting the quality of health care.

May I interject at this point and mention what I refer to as the add-on principle. I am somewhat concerned from time to time when I hear individuals in our society mention the various forms of health delivery care, noble as it may be, and say the type of service they provide may be excellent. What I am suggesting and what, I am sure, the provincial ministers are suggesting, is that if you are adding a service which is lower in cost you must be certain you are reducing something which is more costly. However, let us assume the minister is correct, that the federal government has taken a realistic stand and that health care costs should be reduced. I surely have no need to describe the effects his proposals are having on the delivery of health care in the various provinces.

● (2110)

Let us be realistic. The introduction of this bill and the announcement made by the former Minister of Finance in June have prompted several decisions within the province of Ontario resulting notably in the closing down of a number of hospitals and a reduction in the number of hospital beds available. The wearing of seat belts has been made mandatory. All these things are in the nature of restraints. I should not care to predict what further measures will be forced upon the provinces by such a program as we have before us, but I say to the minister in all sincerity that the unilateral action of the federal government has started a process of dilution in our health service system which will be felt in every province and every community in Canada. I have no doubt about this.

We must recognise that if we adopt this bill we are embarking on a program which must inevitably lead to mediocrity. The worst part of the legislation before us, irrespective of the amendments about which the minister spoke when he introduced the measure, is that the decisions which are made by him are all predicated on economics rather than on need. This is a factor which in my view has not received sufficient attention in the debate, yet it is a very basic question.

The Acting Speaker (Mrs. Morin): I regret to interrupt the hon. member but the time allotted to him has expired.

Some hon. Members: Carry on.

The Acting Speaker (Mrs. Morin): Is there unanimous consent for the hon. member to continue?

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Holmes: Thank you, Madam Speaker. I shall try to be brief. What concerns me, as I say, is that I have the impression that the minister's attitude has really been predicated upon economics rather than needs. We are now seeing and hearing a reaction from both consumers and deliverers of the health care system; it becomes apparent that there is a feeling in the minds of the public that the quality of the health care received in the past will be prejudiced as a result of this legislation.

I might remind the minister that before the introduction of the act the very rich and the very poor always received the best of medical care. I recall that in the United States, in the City of Washington, the indigent population received the very best of care; not only did they enjoy the services of an extensive medical staff but their doctors were able to consult experts at the National Institute of Health and the Walter Reed Hospital, and so on. But how will the public react once it has experienced treatment in connection with which there has been no element of economic restraint?

How will deliverers of health care respond when they are confronted with restrictions which adversely affect the treatment of their patients? Will the public really accept diluted health systems which are predicated on economic rather than medical need? Will the public accept a system under which only the very rich may be able to afford access to the best treatment?

I believe the public will awaken and recognise that the minister is in effect proposing a second rate health care system, that the introduction of this bill, together with the announcement made by the former minister of finance in June has altogether changed the federal-provincial relationship. The minister has obviously established the priorities in his own mind and has placed concern for economics above concern for medical needs. I will only say to him that I hope he will persuade the public that public expenditure on the health care of Canadians is not a priority reduction item, particularly having regard to the funds which are spent on some other programs.

Mr. David Orlikow (Winnipeg North): Madam Speaker, my hon. friend from Timiskaming was speaking a short while ago, discussing the harm which would be done to the hospitalization plan if the government proceeded with this bill. The minister interjected, saying in effect that my hon. friend was dealing with something that had no relation to the bill. He could not have been more wrong and I am sure the minister knew it. I may criticize the minister for many things but I have never thought of him as being stupid. He knew he was wrong.

The bill is one step in a calculated and well planned move on the part of the government to get out of virtually all shared cost programs. The minister said this proposal had nothing to do with hospital insurance. Madam Speaker, it limits the increase in the amount of money the federal government will pay toward a universal medical insurance plan in the next two years by specific amounts, and leaves the increase in subsequent years to be decided unilaterally by the federal government. The government has given notice to the provinces that the present agreement on hospital insurance, under the provisions of which it pays about 50 per cent of hospital insurance costs, will be ended by 1980. That date arises because the federal government was required to give five years notice of its desire to terminate the present agreement and to enter upon a new one. The federal government is giving notice that it intends to work out a second agreement, and since it can decide for itself what it will be prepared to do in 1980, the provinces are on notice that the federal government will no longer pay the half cost it has paid up to now.

[Mr. Knowles (Winnipeg North Centre).]

● (2120)

With hospitalization as with medical insurance, when Ottawa gets out of a shared cost program it has very direct consequences on the provincial governments and the people in the provinces. What can the provinces do in respect to medical or hospital insurance? If Ottawa no longer pays 50 per cent of the cost of these two programs, the provinces have a number of alternatives. For example, they can increase their own contributions to cover the deficit that will occur. All provinces, including the large have provinces of Alberta, British Columbia and Ontario, are now in financial difficulties and showing an increase in expenditure over revenue.

If the federal government cuts its percentage contribution below the increase in the cost of present or future hospital or medical insurance plans, the provinces will have to increase their contribution, and it is unlikely that they will be able to do so. In that event they will either have to cut back services or increase the revenue derived from their citizens. This can be done through deterrent fees or through a number of other methods.

We are rightly proud of our medical insurance and hospital insurance plans. When I spoke on this bill several weeks ago I talked about the federal civil servant who, when someone in the family went into a hospital in the United States, was required to put down a deposit of $1,500 before the hospital would admit that person.

Since that time I have come across the case of some friends from the city of Winnipeg who were visiting in Florida. The camper in which they were sleeping was hit by lightning during the course of an electrical storm and caught fire. The husband is now in hospital; he has been there for three weeks and will probably be there for another three weeks. The cost of the hospital alone, not including any medical bills, in Florida is over $2,000 a week. I would suggest there are very few people in this country or in any other country who could afford to meet this kind of bill.

If people do not have to worry about completely wiping out their life's savings at the present time to pay hospital bills, it is because we have a universal hospital insurance plan in this country. This kind of universal plan has taken away the fear of financial disaster from Canadian citizens, but the plan will disappear as the federal government's limitation on the amount of money it pays for hospital and medical insurance plans begins to bite.

A similar process has now begun in the field of post-secondary education. Having persuaded the provinces to expand vastly their university and community college programs begun in 1972, the federal government has put a ceiling of 15 per cent on the increased amount it will pay each year. Post-secondary education costs have been rising by a very substantial amount each year. In a recent study that was made of the Canadian educational system by an

OECD committee, Canada was given high marks for the tremendous job done by the federal and provincial governments in improving the educational system of this country. The study showed the tremendous increase in the number of students attending elementary and secondary schools as well as the large number of people attending post-secondary institutions, such as our universities, community colleges, and manpower training programs.

All the provinces have done an excellent job in this regard, to a large extent as a result of the financial inducements offered to them by the federal government. At a time when costs began increasing very rapidly, the federal government a couple of years ago put a ceiling on the increase that it would pay in any year of 15 per cent. The present agreement with the provinces expires in March, 1977, and there has been no indication given by the federal government that it is prepared to renew the agreement with the provinces, to improve it, or to do anything else. Indeed no discussions at all have been held with the provinces. It is not at all unlikely, given the example of medical and hospital insurance which we are now discussing, that in 1977 the federal government will cut the 15 per cent ceiling which it has already introduced unilaterally.

A similar situation existed in the welfare field. It was not many years ago that a Liberal government introduced the Canada Assistance Plan. We were given the most glowing description of what a great plan it was, how it was the culmination of a quarter century or more of Liberal party thought, planning, studies, and promises of a comprehensive social security system.

This plan has been in effect for only a few years, and lo and behold the minister has now given notice that he intends to introduce a social services act to come into effect in 1977. This is an act that will run parallel with the present Canada Assistance Plan for three years, after which time the Canada Assistance Plan will disappear.

It seems that the minister and his government have had second thoughts about universal fees, users' charges, and deterrent fees. We are talking about programs which are not even completely in place yet. We are also talking about expansion of day-care centres. I saw a report in today's newspaper about the minister meeting with a group of women and promising an expansion of day-care centres. We are also talking about nursing homes of which there are certainly not enough. If there is any hope that we can cut back on the sharp and continually increasing cost of hospitalization, surely one of the ways to do so is to establish adequate nursing homes and convalescent hospitals which would be much cheaper than the high cost, intensive hospitalization plans which the federal government now funds.

These are plans that are not yet funded, or funded on any regular, continuing basis, but which the provinces understand. Yet already the minister has given an indication that the federal government intends to cut back on the agreements it has with the provinces under the provisions of the Canada Assistance Plan.

● (2130)

In the field of manpower there have been unilateral and continuing cutbacks in grants for training programs in all provinces. What has happened? The provinces got into the delivery of manpower training largely because of what I believe was the mistaken concept of the Prime Minister (Mr. Trudeau) and his government that the federal government has no business in the field of education, and that this is solely the responsibility of the provinces.

It was felt that the federal government could and should be involved in manpower training. However, Ottawa did not establish its own manpower centres. It contracted with the provinces and with local educational divisions to use their facilities. Facilities were built and extended, teachers were hired, and equipment was purchased, to a large extent to provide for the manpower training needs as defined by the federal department of manpower. Because of the financial constraints the federal government has unilaterally begun to cut back on manpower training agreements with the provinces. It has cut back on the purchase of manpower training equipment in the community colleges and other institutions in the provinces.

Let us consider the Department of Regional Economic Expansion. At a time when the have-not provinces, Newfoundland, New Brunswick, Nova Scotia, Manitoba, northern Ontario and northern Saskatchewan were experiencing sharp increases in unemployment—

Mr. Béchard: And eastern Quebec.

Mr. Orlikow: Yes, and eastern Quebec, and I wish the hon. member who made that interjection would get up and support me in the case I am making. At a time when these areas are experiencing sharp increases in unemployment and in welfare costs, DREE is at best holding the line. There are virtually no increases in the funds of the Department of Regional Economic Expansion. Holding the line in a period when we have had a 10 per cent or more increase in inflation in each of the last two or three years means a cutback in the real money that can be spent to provide jobs in these areas.

Let us look at the department which supposedly was established to protect the rights and meet the needs of the most deprived people in this country, and I am talking about the native people, the Indians and Eskimos. At a time when costs are skyrocketing the Department of Indian Affairs and Northern Development has been chipping away at the expenditures it is prepared to make to provide for the health and welfare needs of our native people.

For example, when the province of Saskatchewan inaugurated a program of providing hearing aids for people who need them Ottawa said it was not going to pay for hearing aids for native people in Saskatchewan. How cheap can the government get? These are the programs the federal government decided to implement unilaterally.

I put these facts on the record not because I believe everything the provinces do is right, and not only because I am concerned about the very rapid and substantial increase in the cost of medical plans. Of course I am concerned about that. I am concerned about that as a member of parliament, as a citizen who has to pay the increases himself and whose constituents have to pay the increases.

The point surely is that when Ottawa gets out of these programs or limits its contributions to them, the shortfall

of funds must be picked up by the provinces or by the individual citizen, regardless, and I emphasize that word "regardless", of their ability or inability to pay. This is why I am concerned.

We have had a health insurance plan and a hospital insurance plan in this country for many years; in the case of the health insurance plan, for more than ten years, and in the case of the hospital insurance plan for more than 20 years. During that time the federal government has not administered any of these programs, not the hospitalization or the medical insurance plans. They have been organized, run and operated by the provinces. The provinces have the experience. Ottawa does not have that experience or the know-how.

I would say the provinces of Nova Scotia, Ontario and Quebec must be more concerned about the rapid increase in the cost of medical insurance and the implications to their financial structures than is the federal government, because they are much less able to raise the money through taxation, deterrent fees or in any other way than is the federal government. They are concerned, but they are and have been willing from the beginning to meet at the official or at the ministerial level to work out in detail plans which can be made at least to begin to halt the constant escalation in costs.

Despite many promises by the minister, going back to 1973 at least, that the federal government would not implement changes unilaterally, that has not been the case. The minister and the government have broken all their promises to the provinces. Not many months ago the minister promised the provinces that his deputy would meet with provincial deputy ministers on March 16 and 17 to discuss cost-sharing programs and reforms that could be made to save money.

The minister agreed to meet with provincial ministers of health on April 27 and 28. That will be the first meeting since January 1975, to discuss this question. The minister has been meeting with individual provincial ministers of health. He has refused for more than a year to meet with them jointly. I can only assume that he thought by meeting with them individually he could drive a wedge between them.

I presume it is evidence of the minister's good faith that he is going to meet with provincial ministers of health to discuss in a friendly way methods of slowing down increasing costs of medical care without the necessity of using the big stick or threat of this bill. If the minister is interested in discussions and agreements rather than in confrontation and unilateral decisions he ought to agree to the amendment proposed by my colleague, the hon. member for Broadview (Mr. Gilbert), which would set this bill aside at least until after the minister has met with provincial ministers to see whether an agreement can be reached.

● (2140)

If the minister insists on continuing with this bill then we can only assume that he and the government have no intention or desire to reach an agreement with the provinces which would be mutually acceptable to all the provinces and the federal government. We would have to assume that the minister intends to implement this despite the feelings of the provinces; that is, that he intends to make unilateral decisions in respect of cutting back on the shared cost program about which I have spoken.

We are talking about an extremely serious matter. We are talking about programs which cost the provinces not hundreds of dollars but more than $1,000 million for health insurance alone, the cost of which Ottawa does not now share with the provinces. It is no wonder the provinces are worried, are frightened, and are apprehensive. Given the kind of stubbornness and arrogance the minister has shown, the provinces, to say the least, are frightened sick.

I should like to spend a little time placing on the record the feelings of the provinces. Let me emphasize again that while I may be speaking in the main of the position of the government of Manitoba on this question, all the provinces are united in their objection to this bill and to the proposals being made by the minister. If we look over the list of the provinces we will see that the Conservative government of Newfoundland, the Liberal government of Nova Scotia, the Conservative government of New Brunswick, the Liberal government of Quebec—with which I think the minister has a good deal of relationship—the Conservative government of Ontario, the NDP governments of Manitoba and Saskatchewan, the Conservative government of Alberta, and although I have not seen anything specific I believe, the Social Credit government of British Columbia, as was the former NDP government of British Columbia, are united in their opposition.

The provinces have agreed to undertake a broad analysis in an attempt to define more precisely those concerns they have voiced in discussions over the past couple of years with the minister and his government. They have carried on some studies which show that most provinces would experience a serious shortfall in revenues under the proposal for a GNP escalator plan, even with the so-called risk sharing modifications the minister proposed.

Their studies showed that the proposed thrust funds would be barely adequate to cover these shortfalls in some provinces and would be far from sufficient to offset losses experienced in other provinces. The studies showed that most provinces have committed themselves in recent years to improving their services to bring about greater efficiencies despite the fact that these efforts are not supported by any cost-sharing assistance from the federal government. Their commitment in total terms is such that they cannot afford to consider, much less accept, any financing formula which would provide even less assistance to the provinces than they have been receiving up until now.

According to their joint study the ten provinces were spending last year a total of over $1.2 billion a year in respect of health programs for which there is no cost sharing available. They have calculated that by the fiscal year 1978-79 their expenditures will increase to $1.9 billion annually. What is happening is that when the provinces devise programs which are much less expensive than programs now jointly funded, they cannot obtain any money from the federal government even if they can demonstrate that the cost of such programs is substantially less than the present programs.

Let me give two illustrations. The province of Saskatchewan has inaugurated a nurse-practitioner program. Through this program a registered nurse is given further

training so that she can deal with many of the health needs of the people who live in rural areas, in small areas or villages where there is not now medical service available. It should be obvious to the minister and to the government first of all that this is a needed service which has not been met in recent years in Saskatchewan, and I am sure in similar areas in other provinces where there is a shortage of doctors. Instead of encouraging such a program, and encouraging its expansion into other areas of Saskatchewan and other areas in other provinces, this program is not jointly funded by the federal government.

Several years ago the province of Manitoba inaugurated a program which is partially funded by the federal government. It is called "New Careers". Under this program the provincial government hires and trains native people and immigrants to work for the province in areas not now provided with health or welfare services.

These people, who very often do not even have a high school education, are given training for a period of from six weeks to a year to perform specific jobs in the field of health such as giving inoculations and performing other services which up until now have been carried out by doctors or registered nurses. These people work in areas where there are not sufficient doctors or registered nurses.

This program has been a tremendous success. It has been lauded by a number of federal government departments. This program cannot expand because it is not cost-shared by the federal government unless the federal government looks at every job and every training program that is inaugurated. Such programs should be encouraged because in this way services are provided more cheaply than are the nursing services now provided under the present system.

● (2150)

What is happening? Just when the provinces are developing programs, the federal government has decided unilaterally to cut back on the money which it pays them. As I have said on other occasions, and as I have said earlier tonight, I am not opposed to consideration by all levels of government of ways and means of cutting back on increased expenditure, but the way not to do it is by the kind of unilateral decision which is made by the government and proposed in this bill.

As I have said, the provinces have looked at what they are paying out in order to meet the health needs of their people. The estimates which they have made suggest that the total health care expenditure in the ten provinces, including federal shared cost support, will probably rise between 15 per cent and 20 per cent in the next year, an increase of more than $1 billion over the estimated $6.6 billion which was spent by the provincial governments in the last fiscal year. Given that tremendous problem, the provincial health ministers arrived at a number of conclusions among which I want to refer to just two.

In January of 1975 they agreed at a meeting which they held in Ottawa, first, that each province should receive no less federal financial support than it would have received for the funding of health insurance programs under the current arrangement; second, that new financing arrangements must allow the provinces flexibility to pursue programs in accordance with their own particular priorities; third, that the new arrangements must allow for equitable cost sharing of both the start-up and continuing operating costs of new programs, as well as changes within existing programs; and fourth, that new arrangements should relate to health goals and objectives, and should provide encouragement to new provincial programs which offer alternatives to high cost services. Examples of such alternatives include home care, geriatric services, community health services, and ambulatory care.

That kind of proposal has not even been discussed with the federal minister, not because the provinces have not been willing but because the minister has simply refused to meet with them. Yet on the day that that meeting was held in Ottawa, the minister held a press conference. I want to put on the record a couple of paragraphs from the interview which he gave for the press and which was reported in the Ottawa *Journal* of January 15, 1975. They read:

> The federal government may soon be contributing more money toward the cost of the country's health services . . .
>
> He told reporters at the federal-provincial health ministers conference that a committee will be set up to study cost-sharing legislation to see if the federal government can, under present laws, help pay for alternative provincial health services.

That committee has not yet met, and the minister has not yet met with the provinces. It is not surprising therefore that the provinces, to say the least, were highly critical and very vocal in their criticism of the minister and of his proposal.

On August 19, 1975, the provincial health ministers met in Victoria. Let me quote what some of them said, as reported in the Victoria *Colonist* of August 19, 1975, as follows:

> Health ministers from all ten Canadian provinces were unanimous Monday in their criticism of proposed new federal health service cost-sharing formulas . . .
>
> Saskatchewan Health Minister Walter Smishek charged that the federal government had misled the provinces over cost-sharing formulas for health services. He said the federal government had bargained "in bad faith, misled the provinces, and as a result left them to pick up large, increasing bills which were to have been shared by Ottawa".

In case the minister would suggest that this is a criticism which is politically partisan coming as it did from an NDP health minister, let me quote what the Liberal health minister from the province of Nova Scotia, Mr. MacEachen, said. He was concerned that the tapering off of federal financing can seriouly affect health care in his province, and he said:

> "If the federal government is suggesting that it has solved the problems of inflation, then the limitations proposed on increases of medical care payments may not have too great an effect . . . if, however, general inflation carries on at or near its present rate, we could be in serious difficulty.

When the premiers met in August of 1975 in Newfoundland, they passed a resolution which is as follows. I will just give the last part of it because my time is limited. It reads:

> Be it therefore resolved that the Prime Minister of Canada be requested to convene a conference of first ministers to consider the present shared cost programs and the future of such programs with particular reference to the fields of hospital insurance and medicare, currently the subject of concern, and to consider ways in which the Government of Canada and the provinces, together, can control the

costs of shared cost programs in the most effective manner, consistent with desirable standards of service.

That was an excellent, well documented, well thought out resolution. I suggest to the minister that he could give meaning to that resolution by agreeing to the proposal made by my colleague the hon. member for Broadview, that this bill be stood over for six months.

Mr. Alan Martin (Scarborough West): Mr. Speaker, in the one or two minutes available to me I will make just a few remarks and then perhaps continue at the next sitting.

I had no intention of rising to speak on this bill. However, it does perturb me to hear hon. members from opposition parties stand in the House and speak against many aspects of Bill C-68 and indeed against the content of the bill because, after all, what the government is attempting to do with this bill is, I suggest, a very important thing, namely, it is endeavouring to show leadership in the area of restraint, a matter that is extremely important in the eyes of so many Canadians today when ordinary people at all levels and in all walks of life are being asked to show restraint in terms of wages, and industries, big and large, are being asked to show restraint in terms of prices.

I think the government needs to be commended rather than criticized for endeavouring to take action which shows restraint in an area of great expenditure.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

CITIZENSHIP—REQUEST THAT VACANCIES IN TORONTO CITIZENSHIP COURTS BE FILLED—GOVERNMENT POSITION

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, the abundant natural resources of Canada provided the material foundation for our country, and immigration provided the human resources to build and develop this great land which is the envy of the world. Since the dawn of Canadian history, successive waves of immigrants have come to our land from every continent on this planet. Canada's population has in fact increased faster than that of any other industrialized country in the twentieth century.

● (2200)

I should like also to state that it was to a great extent the freedoms we enjoy in Canada as well as the economic prosperity, and lately the federal government's enlightened policy of multiculturalism, which has attracted so many immigrants to this land and also encouraged them to become full citizens. In fact the total intake of immigrants to Canada since 1945 is nearly 4 million. This new wave of immigration brought to us people with great experience of life, rich human values, and plenty of special skills which contributed immensely to our economic growth and prosperity.

It should also be noted that the net immigration since the end of the second world war is approximately 3 million or slightly less. However, from 1947 to 1971 only 1,529,853 Canadian citizenship certificates were granted by our courts.

Once upon a time, at least until 1967, we had in Canada a department of citizenship and immigration, and since 1967 citizenship comes under the Department of the Secretary of State. But it was only since 1970 that a great impetus was given to citizenship matters. In that year a revitalized program of citizenship was launched. It was based on a five point policy, namely, certain objectives such as the reinforcement of Canadian identity and national unity, the encouragement of cultural diversification within the bilingual framework, the preservation of human rights and fundamental freedoms, an increased and vastly improved citizenship participation program, and the development of meaningful symbols of Canadian sovereignty. As a result, in 1974 alone, 130,278 persons were granted Canadian citizenship certificates in our courts.

Later an outreach program to increase the number of people applying for citizenship and to make that process much easier was launched by our government. As a result, storefront citizenship offices and additional courts such as those in Parkdale's Dufferin Plaza, Kensington in the Spadina constituency, and at Montreal's Jean Talon Street added greatly to the number of applications.

Today the 21 citizenship judges have a very heavy overload to clear up, especially in the city of Toronto. More applicants will increase the workload for these courts with the advent of the new Citizenship Act, which was debated at second reading in this House and is now being studied by a House of Commons committee. This new enlightened legislation is not only liberal and progressive, but also very attractive to the people who are waiting to become Canadian citizens. I must say that this legislation is most welcome. The government and the Secretary of State (Mr. Faulkner) are to be commended for bringing this piece of legislation to this House.

However, more funds for more qualified judges and support staff are needed without further delay. As I stated in my question to the Secretary of State last February 10, we are impatiently awaiting the appointment of more judges and staff in Toronto and other places where they are needed. The backlog must be cleared up quickly because qualified applicants are waiting to become Canadian citizens and to take their full place in the Canadian sun.

Any further undue delay would be denying the privileges of Canadian citizenship to many people. As the dictum goes, justice delayed is justice denied, and the sooner the necessary staff is provided for our citizenship courts, the better will be the morale of the present staff and also the earlier will Canada be strengthened with many more loyal citizens.

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): Mr. Speaker, the Secretary of State of Canada (Mr. Faulkner) has been assured by the Registrar of Citizenship that the citizenship applications and certifi-

cate presentations in the Toronto area have been carefully looked into as a result of the hon. member's question. He has further been informed that the backlog alluded to is not as serious as suggested.

As an example and with reference to the St. Clair citizenship court, there were only 581 certificates on hand as of February 12, all of which will have been presented by February 26. For the information of this House it should be known that this particular citizenship court now has a scheduling whereby certificates are presented within 14 days of receipt from Ottawa. The 14 days in question are used for scheduling the ceremonies and informing the applicants.

With reference to the Dufferin court it had, as of February 12, some 726 certificates on hand, 400 of which will be distributed this month. Although another 300 certificates will have been received for presentation before the end of the month, this is not an unduly large number of certificates to have on hand in courts as large as the two to which I have referred.

In 1975, through our Toronto courts' system only, a total of over 49,000 grants of citizenship were made. This figure includes those grants made through storefront offices, the mobile team, and the subcourts in Oshawa, Brampton and Barrie. In addition to the large number of grants of citizenship processed by the Toronto citizenship court system, there were 36,391 proofs of citizenship given out in 1975. These proofs do not, of course, involve a court ceremony and presentation but nevertheless account for a large volume of work by court personnel.

I would also like to take the opportunity to say a word about the success of the citizenship outreach program, since I believe it has a bearing on the questions raised by the hon. member. The storefront concept was introduced in Toronto in July 1973, which means there have been two and a half years of storefront operation.

In 1975 there were 13,420 storefront grant applications, an increase of 21 per cent over the previous year. There were almost 4,000 proof applications processed in the storefront offices, a percentage increase of 53 per cent. There would seem, however, to be no need at the present time to increase staff in the Toronto court system beyond the filling of existing vacancies.

The effect of the outreach program has been to relieve the overburdened situation at the St. Clair office which, until 1973, was the only citizenship registration office in Toronto. With the opening of the Dufferin court in July, 1975, and with the outreach services provided by storefront and mobile operations, grants volume in the St. Clair court decreased by 10 per cent in 1975.

With respect to citizenship hearings, no backlog exists vis-à-vis the St. Clair court. There is, however, a one-month delay at the Dufferin court which involves approximately 600 applications. A delay in hearings also exists at Barrie and Brampton involving approximately 250 applicants. This situation will be corrected when a new citizenship judge is appointed.

Adjournment Debate

CANADIAN BROADCASTING CORPORATION—ALLEGED INADEQUACY OF FRENCH LANGUAGE COVERAGE OF CONSERVATIVE CONVENTION

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, yesterday I asked if the Secretary of State (Mr. Faulkner) had been made aware of complaints concerning the inadequate French language television coverage of the Progressive Conservative convention and if it was the intention of the minister to remind the publicly financed Canadian Broadcasting Corporation of its primary responsibility to report in both official languages all public affairs of national interest. The minister replied that the corporation had a responsibility to report important events in both official languages on both channels.

Last Thursday the hon. member for Cumberland-Colchester North (Mr. Coates) expressed his dissatisfaction with programmed CBC radio coverage in his area.

Earlier today the hon. member for Saint-Jacques (Mr. Guilbault) proposed, by way of a motion under Standing Order 43, to refer the subject to the Standing Committee on Broadcasting, Films and Assistance to the Arts. The motion required unanimous consent which, unfortunately, was not forthcoming. I say unfortunately, because it is my opinion that a dissenting voice came from among the members of the party that was considerably disenchanted with the treatment accorded that party by the publicly owned television network.

During the question period today a member of the official opposition, I believe the hon. member for Calgary North (Mr. Woolliams), again raised the subject of inadequate French language television coverage of the Progressive Conservative convention. The Parliamentary Secretary to the Secretary of State (Miss Campbell) replied, giving information supplied by the CBC and which, in my opinion, was no answer at all. It was a reiteration of what programming there was and did not answer the question.

We are already aware of the amount of coverage accorded by the French network of the CBC. As Joan Irwin stated so well in an article in yesterday's Montreal *Gazette*, and I quote:

● (2210)

Both English networks made a major commitment to the Canadian public by providing an opportunity to participate in an important political event. They deserve our gratitude.

French-speaking Canadians, on the other hand, had almost no opportunity to acquaint themselves with the PC leadership candidates or with the political philosophies of a major national party at a crucial moment in its history.

It's not particularly surprising that TeleMetropole and the TVA network ignored the whole thing until the results of the voting were known.

It is surprising and entirely indefensible that the CBC French network showed so little interest in the convention or in the rights of its audience to be well informed on vital national issues.

Radio-Canada carried none of Saturday's convention live during the speeches of the 12 leadership candidates, despite the fact that three candidates were from Quebec—and two of them front-runners for the leadership.

Not until 11:10 p.m. (after the hockey game and the news) did Radio-Canada give its audience a glimpse of the convention, and then only in edited bits of each candidate's speech—of which many were poorly translated by an extremely uncertain male translator.

On Sunday, Radio-Canada had intended to devote only the six to eight p.m. period to the convention. Then it said it would begin its coverage at four p.m.

Finally someone in the French network saw the light, and it was announced that Sunday's coverage would begin at 2:30 p.m.

The indecision and irresponsibility of the French network indicate an alarming narrowness of view and curious perception of the tax-supported corporation's obligations to the Canadian public—all the Canadian public.

The estimates have now been tabled. Included in those of the Secretary of State is the sum of $416 million for the Canadian Broadcasting Corporation, an increase over last year for operating expenditures alone of over $50 million.

Whenever I question the present Secretary of State, and also when I questioned his predecessor, I was lectured on independence and the inability of the Secretary of State to interfere. They argue that they have no legal right to meddle in the affairs on an independent corporation. Well, I have news for the Secretary of State. As long as taxpayers in my constituency see vast sums of their tax moneys being poured into a corporation which services only an average 11 per cent of the population, they are going to be on my back, and rightly so. In turn, I am going to expect the Secretary of State to come up with answers.

I am sure the minister will not forget the political indiscretion that I committed in 1973 by proposing in committee a nominal cut in the estimates to indicate that the politician still had some say in the publicly financed CBC. That motion passed with the help of some of my more experienced colleagues. Whilst I may not take such a step again, I do want to point out that there must be some established line of communication between those who spend the money and those who are responsible for paying the bills.

The Progressive Conservative party may not be strong in its parliamentary representation from Quebec, but its total percentage vote in that province is healthy. However, apart from that party's supporters, there were those from all other parties and those with no political affiliation who wanted to watch the convention proceedings.

The English coverage extended over four days. It was generally well handled. Why were French Canadians shafted by the television channel which owes its very existence to the considerable financial support of the taxpayer; as I said earlier, $416 million?

May I request that an inquiry be instituted and a full statement made to all members of this House on this continuing saga of complete irresponsibility.

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): Mr. Speaker, the Secretary of State (Mr. Faulkner) has been informed by the CBC that the CBC French television network covered the final day of the convention, Sunday, February 24, from 2:30 p.m. to the end of the convention at 9:10 p.m.

On the Saturday of the convention, a résumé of the speeches of the candidates was telecast from 11:10 p.m. until 12:40 a.m. A live telecast of the candidates' speeches would have involved five hours of almost continuous simultaneous translation which could have been a great strain for the television audience. The exigencies of production, i.e., the condensing in as polished a fashion as possible of the five hours from the afternoon, required a late evening scheduling of the résumé.

The "Stanfield Evening" on the Friday of the convention was telecast in its entirety, and an hour of the Diefenbaker tribute was telecast on Thursday.

A total of 11 hours of the convention were scheduled on the CBC French television network as compared with eight and one half hours at the last Progressive Conservative convention in 1967.

Motion agreed to and the House adjourned at 10.17 p.m.

HOUSE OF COMMONS

Wednesday, February 25, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

PENITENTIARIES

REQUEST FOR CRITERIA FOR PSYCHIATRIC TREATMENT FOR INMATES—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the terms of Standing Order 43. On February 10, the Solicitor General indicated he would provide details of the criteria or methods used by the penitentiary system to determine priorities for psychiatric treatment. Since it now appears there are no such criteria of general application and since the so-called peace and security legislation introduced to the House yesterday is silent in the area of the psychiatric treatment of inmates in Canadian penitentiaries, I move, seconded by the hon. member for Surrey-White Rock (Mr. Friesen):

That this House direct the Solicitor General to immediately prepare criteria for priorities of psychiatric treatment and table same in the House with an accompanying motion for the consideration thereof by the Standing Committee on Justice and Legal Affairs.

Mr. Speaker: Pursuant to Standing Order 43 this motion requires the unanimous consent of the House before it can be put. Is there such consent?

Some hon. Members: No.

* * *

[*Translation*]

MANPOWER

REQUEST FOR RE-EVALUATION OF JOB CREATING PROGRAMS TO COUNTER UNEMPLOYMENT—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, pursuant to the provisions of Standing Order 43, I ask the unanimous consent of the House to discuss an important matter of pressing necessity.

In view of the fact that the real number of unemployed workers had risen to 241,000 in January from 216,000 in December 1975 that, at the present time, there is a very substantial increase of the unemployment rate in Quebec, especially among young people and, also, that an amount of $4 billion is to be spent in 1975-76 in unemployment insurance benefits, I move, seconded by the hon. member for Champlain (Mr. Matte):

That this House immediately take all necessary steps to enable the federal government to reassess the job creating programs now in effect so that Canadian workers, specially in Quebec, regain confidence and finally, the fight against inflation may be as effective as possible.

Mr. Speaker: The House has heard the motion of the hon. member. Pursuant to the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there such a consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

* * *

[*English*]

NATIONAL DEFENCE

REQUEST FOR ASSURANCE CLOSURE OF BASES WILL NOT RESULT IN ECONOMIC HARDSHIP FOR REGION CONCERNED—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, pursuant to Standing Order 43 I ask for the unanimous consent of the House to discuss an urgent and important matter, at least to Atlantic Canada. The urgency arises out of replies given in the House yesterday by the Minister of National Defence with respect to base closing and consolidation studies. Because the report with respect to base closure is expected to be presented to the minister and cabinet in March, and having regard to the economic impact of such a development, I move, seconded by the hon. member for Annapolis Valley (Mr. Nowlan):

That this House instruct the Minister of National Defence to seek assurances from his colleague, the minister responsible for regional economic development, that any base closure will not result in widespread civilian lay-offs or undue economic hardship for the region concerned.

Mr. Speaker: Pursuant to the terms of Standing Order 43, unanimous consent is required before the motion can be put.

Some hon. Members: No.

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SUPPLY AND SERVICES

PROPOSAL TO REQUEST INFORMATION ON LOCKHEED'S BRIBERY PAYMENTS AND TO CANCEL CONTRACT—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of pressing and urgent necessity. It was reported yesterday that Japan's upper and lower houses have

called on the United States government and Senate to release all undisclosed information on Lockheed's bribery payments. It is well known, as well, that the general accounting office of the United States government has warned the U.S. Congress that Lockheed may fail to meet the 1978 deadline for repaying the $195 million it borrowed under a government loan guarantee. I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

● (1410)

That the Canadian government follow the Japanese example and request all undisclosed information on Lockheed bribery payments and, as well, in view of the apparent shaky financial position of that corporation, we request the Minister of National Defence (Mr. Richardson) to consider immediate cancellation of contract proceedings with Lockheed.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 the motion can only be presented with the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

CONSUMER AFFAIRS

REQUEST FOR INQUIRY INTO CATTLE AUCTIONS TO PERMIT COMPETITION—MOTION UNDER S.O. 43

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, pursuant to Standing Order 43, I ask the unanimous consent of the House to move a motion on an urgent and important matter.

Since companies purchasing cattle for consumption, particularly those in Quebec, act through a single buyer at auction sales of livestock, thus removing any competition at the buying stage and enabling these companies to pay ridiculous prices to producers, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the Department of Consumer and Corporate Affairs be requested to inquire into cattle auctions and investigate producers to identify companies responsible for procedures which ensure them monopoly over cattle buying, and that the Minister of Consumer and Corporate Affairs take court action against such companies.

Mr. Speaker: The House has heard the hon. member's motion. Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Since there is not unanimous consent, the motion cannot be put.

[Mr. Hogan.]

[*English*]

HOUSE OF COMMONS

TRIBUTES TO NEW LEADER OF THE OPPOSITION

Mr. Speaker: Order, please. The right hon. Prime Minister on a point of order.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I hope that this enthusiasm when I rise will not be interpreted as whistling in the dark by any ill-wishers of the party. I thank you for permitting me to rise for the second week in a row on a question of order relative to the leadership of the Conservative party. I hope this will not become a habit, Mr. Speaker. I thank you for permission to use this point of order to welcome into the House the hon. member for Rocky Mountain (Mr. Clark) as Leader of the Official Opposition.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Trudeau: I think, Mr. Speaker, that I am voicing the feeling entertained by all members on the government side in congratulating the members of the Progressive Conservative Party for their convention held last weekend. It has been an event much to their credit, an event which has been followed by very many Canadians and reflected a sense of progress of democracy within this party much to its credit and which, I feel, augurs well of the destinies of Canada. When I see that the two major parties of this country, not to mention the other two, is imbued with a spirit of democracy, a spirit of service towards Canadian public, I am satisfied.

Last week, I was expressing the wish that the leader who would be chosen would follow the footsteps of the former leader of the opposition, the hon. member for Halifax (Mr. Stanfield), and I think this wish has been realized. Here is a leader who will do well in pursuing the ideals of the hon. member for Halifax. I know that we will have more than one political battle to fight one against the other, but I comfort myself with the feeling that we are both aiming at the same good, the Canadian commonweal, and of this I think everybody is assured.

[*English*]

I would admit, Mr. Speaker, that I feel a little bit as though we on this side of the House should put our wagons in a circle when I see how surrounded we are on the other side by leadership candidates, and by potential leaders of the party.

Some hon. Members: Hear, hear!

Mr. Trudeau: I am used to sitting opposite the hon. member for Oshawa-Whitby (Mr. Broadbent) and the hon. member for Témiscamingue (Mr. Caouette), and I probably could get used to sitting opposite the hon. member for Rocky Mountain.

An hon. Member: On which side?

Some hon. Members: Oh, oh!

An hon. Member: You have done nothing but a Joe job.

Mr. Trudeau: Mr. Speaker, I can see that I have more than half the Tory caucus against me today. Anyone would be intimidated in my place if he were faced not by one, not by two but by three generations of Tory leaders.

Some hon. Members: Oh, oh!

An hon. Member: You are of the wrong generation.

Mr. Trudeau: I know that in these circumstances, Mr. Speaker, the hon. Leader of the Opposition will not lack expert advice.

Some hon. Members: Hear, hear!

Mr. Trudeau: I am somewhat consoled by the fact that I do have several of his chums from southern Alberta in my office to advise me.

Some hon. Members: Hear, hear!

Mr. Trudeau: If that is not sufficient I would hope we will be able to pick up some Liberal members in Alberta at the next general election.

Some hon. Members: Oh, oh!

Mr. Hees: Don't hold your breath, Pierre.

Mr. Trudeau: As the hon. member for Prince Edward-Hastings (Mr. Hees) suggests, I do not think I should hold my breath in that regard, particularly when I look into the galleries and see the number of relatives the hon. member has.

Some hon. Members: Hear, hear!

Mr. Trudeau: Speaking seriously, Mr. Speaker, I have been told that the new Leader of the Opposition has wanted to become Prime Minister since he was in his teens. I can vouch for the fact that he has lost no time in coming to the point.

Some hon. Members: Oh, oh!

Mr. Trudeau: Just yesterday, only two days after the leadership convention, I received a letter from the hon. leader's national president, Mr. Michael Meighen. It is a somewhat moving letter, or at least I find it moving. There is no doubt about the address; it is to the Right Hon. P. E. Trudeau, M.P., Ottawa.

Some hon. Members: Oh, oh!

Mr. Trudeau: I assume that will still be my title for a little while. It begins very warmly by saying "Dear Friend".

Some hon. Members: Oh, oh!

Mr. Trudeau: It goes on to state:

Never has the need for an alternative to Trudeau and his party been more apparent;—

Some hon. Members: Hear, hear!

Mr. Trudeau: I won't read it all, Mr. Speaker, but it does get to the point—

An hon. Member: Read it.

Some hon. Members: Hear, hear!

Mr. Trudeau: All right, I will read some more, Mr. Speaker. It states:

The federal Progressive Conservative party has always taken tough stands on vital national issues;—

Some hon. Members: Hear, hear!

Mr. Trudeau: That is a statement of fact with which I won't quarrel, Mr. Speaker, but the succeeding paragraph asks me to consider what I will do to share in the task before us.

Some hon. Members: Oh, oh!

An hon. Member: Resign, resign.

● (1420)

Mr. Trudeau: The advice here is not to resign; it is to give money to the Tory party.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker it says here quite clearly: "The PC Party needs your help".

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I can say to the leader I will do my best to keep him in his present job as long as I can and, as I had occasion to say to the Leader of the New Democratic Party a few months ago, I wish him well, but not too well. I can understand the desire to be Prime Minister—you know, a big car and the swimming pool, especially now that the question of anonymous donors will no longer be an issue. But I assure him it is much more fun to be Leader of the Opposition and I will co-operate in every way I can to ensure that that is the case.

An hon. Member: What about the cheque?

Mr. Trudeau: The cheque is requested on a little leaflet—these will be my final words, Mr. Speaker—which says: "Yes, Mr. Meighen, you can count on me to do my share".

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in welcoming the new Leader of the Official Opposition (Mr. Clark) I should like to say first of all to the Prime Minister (Mr. Trudeau)—and I am sure he will not misunderstand the spirit of my comment—that perhaps the reason he got the letter from Mr. Meighen was that, given his recorded and publicly known contribution to the Liberal party, it was thought that he might be willing to give more to his opponents.

Some hon. Members: Hear, hear!

Mr. Broadbent: I do want, Mr. Speaker, to present very best wishes on behalf of my colleagues to the hon. member for Rocky Mountain, on what I think is almost universally acknowledged, both within his party and outside, as a

remarkable personal victory for an extremely able young man.

Some hon. Members: Hear, hear!

Mr. Broadbent: I and some of my colleagues watched the television screen with considerable interest, particularly the discussions of the pundits who were making much of the problems he and the other candidates had in resolving certain conflicts between the left and the right in the party.

I should like to say to the hon. member that unless and until he is a member of a socialist party he really will not know what a battle is between the left and the right. I am sure also that the hon. member will understand that in congratulating him on his personal victory I and my colleagues want to make sure that all of his victories in the future continue to be of a strictly personal nature.

Before I sit down, Mr. Speaker, I should like to add one final note which is that as that well-known backbencher, the hon. member for Halifax (Mr. Stanfield), might have put it if he were to comment at this point, I must frankly say that the new Leader of the Official Opposition does seem to be just a wee bit young to be taking on the onerous responsibilities of leading a political party.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the right hon. Prime Minister (Mr. Trudeau) pointed out a moment ago that the Leader of the Official Opposition (Mr. Clark) has many relatives in the opposition gallery. Not only are there relatives of the Leader of the Official Opposition, I also have some of my relatives in the opposition gallery. I notice, Mr. Speaker, that the Prime Minister as well has some of his relatives in the gallery of the government.

It is a great pleasure for me to echo the words of welcome of the Prime Minister and the leader of the New Democratic Party (Mr. Broadbent). I wish good luck to the "young" leader of the Progressive Conservative Party. As a matter of fact, I watched very closely the events of the convention last weekend, when the hon. member for Rocky Mountain started practically from square one to reach the top of his political party. Nobody expected that. As we say in English, it really was the victory of the dark horse.

Mr. Speaker, I think it is quite an honour for a young man of 36 to become leader of one of the main political parties in Canada. In the House, a lot of work awaits him. He now has one responsibility which he did not have last week. He also replaces a leader who did his best to promote understanding and unity in Canada. And I particularly remember what he said about national unity—

Some hon. Members: Hear, hear!

Mr. Caouette (Témiscamingue): —on the evening of his election. Everybody talks about national unity, and the new leader of the Progressive Conservative Party was no exception Sunday night: he talked about national unity as the basis. What is unfortunate during such conventions, be it a Liberal, a Progressive Conservative or a Social Credit convention, is to hear grumblers behind the scene say for instance: We will lick those french frogs; or we will beat the French Canadians. Or Again, French Canadians say: "That is a move against the English". I know whereof I speak.

An hon. Member: Oh, oh!

Mr. Caouette (Témiscamingue): I hear one of my friends exclaim: Oh, oh! In 1961, I too could have said, oh, oh!, when a former Social Credit premier of Alberta came and told me straight to my face that the west would never accept a Catholic French Canadian as national leader of a political party. That is what I was told in 1961. Today, when the leaders, the Prime Minister, the Leader of the Official Opposition, the leader of the NDP and myself are all fighting for national unity, there are still narrow-minded people, not just out in western Canada, but in the east as well, who try to destroy Canada instead of building it up. The time has come for all leaders and all federal members without any exception to practice what they preach. The time has come to agree and reflect on Canada instead of thinking in terms of the English language and the French language.

The main problem in Canada if not one of languages but one of economic nature. When the day comes where all together we have solved the economic problem, we can continue to speak French in Quebec, English in western Canada, and we will then have at least the assurance of living decently in our country. I trust the new leader of the Progressive Conservative Party will do everything in his power to achieve that true national unity.

Mr. Speaker, my last words will advise the Leader of the Opposition of something his predecessors never seemed to understand: that the official name of the party I represent here is the Social Credit Party of Canada. Even last week, I heard it called the ralliement créditiste. That party is in Quebec, not in Ottawa. Here, we have The Social Credit Party of Canada.

Good luck to the Leader of the Opposition and to his colleagues!

• (1430)

[*English*]

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Clark: —mes amis du parlement, it is naturally a very moving occasion for me to take my place here today and to hear so many kind things said, for the last time no doubt, by so many of my hon. colleagues in the House of Commons.

Some hon. Members: Hear, hear!

Mr. Clark: I have been here but a short time but have had the privilege, both from the galleries and from a perspective across the country, to learn to appreciate the camaraderie which is the essence of this Chamber and of this House. I recognize that that has been expressed here again today, and I express from the bottom of my heart my very deep appreciation of the welcome that has been

shown me, even though I realize how short lived that good will will be.

Some hon. Members: Hear, hear!

Mr. Clark: I should warn the House that I am the second of my family to have assumed an official position here. A great uncle of mine was the first parliamentary secretary to be appointed in the history of Canada. Immediately after that appointment the House of Commons burned down—I trust there will be no unhealthy repetition of that precedent.

Some hon. Members: Hear, hear!

Mr. Clark: I particularly appreciate the welcome of the Prime Minister (Mr. Trudeau) and of the other party leaders. I point out to the Prime Minister, since he, like the rest of us, is now in receipt of the mails—

Some hon. Members: Hear, hear!

Mr. Clark: —that the letter which he received was addressed to him as a member of parliament, and it was not addressed to 24 Sussex Drive. With regard to his title as the right honourable, we expect that even though he might be able to maintain the title to which the letter was addressed, mail coming from Michael Meighen to 24 Sussex Drive in the future will not be there through any computer error.

Some hon. Members: Hear, hear!

Mr. Clark: I should go on to indicate on behalf of my colleagues that we had no indication of the nature in which the Prime Minister intended to respond to that appeal from the national president, and we welcome support—and I should say we have been receiving it—from all quarters.

Some hon. Members: Hear, hear!

Mr. Clark: I particularly appreciate also the indication of the Prime Minister of a willingness to help us in our work, and I can say to him—and I am sure he will take no offence at all—that there are very many of us who believe he is.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Clark: I am very pleased to be able to address this House in French for the first time as Leader of the Opposition. I shall have the opportunity to do this very often in the future and I can assure you I shall take it each time. It is a great advantage for a Canadian politician to be able to speak both official languages. The French language represents a cultural wealth I want to study further so that one day I will feel pride in being a bilingual Canadian.

[*English*]

Because I missed some of the events of last week, for reasons which the House will understand, I just want to add a very brief word of my expression of personal gratitude, and on behalf of my party, to my temporary seatmate and my continuing friend and adviser, the hon. member for Halifax (Mr. Stanfield), who was honoured so appropriately and so fully in this House last week.

Some hon. Members: Hear, hear!

New P.C. Leader

Mr. Clark: As I had occasion to say the other day, it was my privilege to serve an apprenticeship under the Hon. Robert Stanfield, and one could not have a better teacher in learning about the art of conciliation and of governing this country. I respect that apprenticeship and I will do my utmost to honour that tradition.

Some hon. Members: Hear, hear!

Mr. Clark: If I may be permitted one more remark of an internal partisan kind in this House—because occasionally the internal politics of my party become of interest beyond our party—I wish to express my personal appreciation to all my hon. colleagues here and from outside parliament who joined with me in a campaign which, as several have indicated, was indeed a model of democracy and an indication of the continuing effectiveness of the political systems in our country. I want particularly to express my appreciation, that of my party, and I believe that of my country to my colleague, the hon. member for Saint-Hyacinthe (Mr. Wagner)—

Some hon. Members: Hear, hear!

Mr. Clark: —for the very gracious manner in which he indicated the national nature of our party and the importance of Canadians of whatever background coming together, in moments of elation or in moments of disappointment, to work together for a common country whose heritage we all appreciate and can all expand by working commonly together.

Some hon. Members: Hear, hear!

Mr. Clark: I hope the Clerk of the House—and I naturally prefer that pronounciation to the British one—

Some hon. Members: Hear, hear!

Mr. Clark: —has not been paying too close attention to attendance lately. I have been away, and it is really quite startling to come back to the House and to hear oneself for the first time referred to by the Prime Minister as the Leader of the Opposition. It is a moving experience and one to whose satisfactions I hope to be able to introduce him myself sometime in the future.

Some hon. Members: Hear, hear!

Mr. Hees: It won't be long.

● (1440)

Mr. Clark: The Leader of the New Democratic Party (Mr. Broadbent) has obviously taken in good grace the shock of no longer being the youngest party leader in the House of Commons. I thank him for his kind remarks. His problems of internal difficulties may continue; ours, of course, are over!

Some hon. Members: Hear, hear!

Mr. Clark: I want to reassure him that I still believe that in the world of socialist politicians he is easily still a match for many a 60 year old in Sweden.

Some hon. Members: Hear, hear!

New P.C. Leader

[*Translation*]

Mr. Clark: I thank the leader of the Social Credit Party of Canada for his good wishes. I am pleased to see that he and his party are so happy about what is happening to me. I shall not forget to reciprocate these wishes when I go to Quebec to make people in general and Social Credit members in particular better acquainted with me.

[*English*]

As the House may have noted I have had some early difficulties in becoming recognized in the country. One newspaper headline that I saw posed the question "Joe Who?" I did not take any exception to that.

An hon. Member: Joe Guay.

Mr. Clark: No, it was—

[*Translation*]

No, it was an English newspaper. It was not Joe qui—

[*English*]

I am so well prepared to let that pass that I would now probably have to ask myself "which Star?"

Some hon. Members: Oh, oh!

Mr. Clark: It is, of course, Mr. Speaker, a very proud and moving occasion for me to formally take my place in this House as leader of my great party and Leader of the Opposition, as well as of the alternative government of Canada. I will do my best to honour my post—

Some hon. Members: Hear, hear!

An hon. Member: Not for long.

An hon. Member: Scattered applause!

Mr. Clark: My colleagues opposite indicated there was some scattered applause. Mr. Speaker, let me say I am proud to be here as leader of the alternative government of Canada.

Some hon. Members: Hear, hear!

Mr. Trudeau: Talk about trained seals.

Mr. Hees: Any more comments?

Mr. Trudeau: Any more trained seals?

Mr. Clark: I shall do my best, Mr. Speaker, to honour my post with responsibility, with foresight and with partisanship, as did my two illustrious colleagues who immediately preceded me.

I thank you all for your good wishes.

Some hon. Members: Hear, hear!

Mr. Speaker: Oral questions.

[Mr. Clark.]

ORAL QUESTION PERIOD

[*English*]

FINANCE

AMOUNT OF ANTICIPATED DEFICIT—METHOD OF DEALING WITH DEFICIT—POSSIBILITY OF FURTHER CUTS IN EXPENDITURES

Mr. Joe Clark (Leader of the Opposition): Well, Mr. Speaker, here we go.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Hees: Hold on to your hats over there.

Mr. Clark: My question is addressed to the Prime Minister. Yesterday the member for York-Simcoe asked the Prime Minister whether there will be a deficit this year of approximately $5 billion, to which the Prime Minister replied that the President of the Treasury Board had already made a statement on that subject. The Prime Minister might not have had a chance to refresh his memory at that time on exactly the nature of the statement made by the President of the Treasury Board on February 18 which indicated that the government now intends to spend $2 billion more than it said it intended to spend in the budget address of June 23. Would the Prime Minister now tell the House whether the government anticipates a deficit of nearly $5 billion?

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, the figures speak for themselves.

Some hon. Members: Hear, hear!

Mr. Trudeau: As I said, the estimates were tabled by the President of the Treasury Board and he made a statement. The estimates will be examined by the House, so the opposition will be in a position to examine the figures and criticize them, as undoubtedly they will want to do.

Mr. Clark: A supplementary question. Given the fact that we now have an anticipated deficit in the neighbourhood of $5 billion, will the Prime Minister indicate whether the government intends to respond to that deficit by continuing in debt, with the inflationary consequence that involves, by increasing taxation or by facing the realities and necessities of Canada directly and making an immediate announcement of some substantial and dramatic cuts in government expenditure?

Mr. Trudeau: Mr. Speaker, the Minister of Finance has made it clear that he will be tabling a budget in the course of the coming months. The Leader of the Opposition knows that a question on whether or not we will cut taxes, or whether we will increase them or take other fiscal measures will be announced in the budget, and that is not done in answer to a question across the floor of the House.

Mr. Clark: Is it the final position of the Prime Minister that there will not be until the introduction of a budget at some future date, any further indication of significant cuts in the spending of the government of Canada? Are we

going to have to live with the terribly bad example of a failure of restraint symbolized by a $5 billion deficit?

Mr. Trudeau: Mr. Speaker, my answer relating to the budget referred to fiscal matters and tax cuts or increases. It did not refer to expenditures. After the exercise in cutting that the President of the Treasury Board announced before Christmas, the government had every intention of seeking out other areas where we can cut expenditures. There is no wish on the part of the government to postpone this to any particular date. I will be looking forward with great anxiety to specific propositions from the Leader of the Opposition.

* * *

UNEMPLOYMENT INSURANCE

EFFECT OF CHANGES IN LEGISLATION ON GOVERNMENT CONTRIBUTIONS

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Considering that the government's contribution to unemployment insurance has increased by the unacceptably high rate of 91 per cent, from $890 million to $1.7 billion this year over last, can the minister assure the House that changes introduced in Bill C-69 will result in a decrease in federal contributions for next year or, merely, that the rate of increase will not be quite as high?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think that matter was thoroughly discussed in the debate on Bill C-69. There will be a reduction of the government's share of whatever level of unemployment insurance benefit payments develops during 1976 which, of course, is based in the main on the level of unemployment.

Mr. Fraser: Mr. Speaker, a supplementary question. In view of the fact that the conference board among others predicts an increased rate of unemployment for 1976, and considering that the publication of the Treasury Board claims the increase in UIC payments "relects the increase in unemployment that took place from 1974 to 1975", is the minister now saying that he does expect a rise in contributions by the government to the UIC fund?

● (1450)

Mr. Andras: Mr. Speaker, that is based on several variable factors, one of which the hon. member has already indicated, namely the rate of unemployment and the measure of unemployment in 1976.

* * *

ENERGY

ALLEGED SECRET AGREEMENT FOR SALE OF NUCLEAR REACTORS—INSISTENCE ON APPLICATION OF CANADIAN SAFEGUARDS TO PAKISTAN

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Prime Minister. There is a report in the New York *Times* that an official in Washington said yesterday that Canada, along with a number of other countries, has signed a secret agreement covering safeguard requirements for the sale of nuclear equipment abroad. Has Canada in fact signed such an agreement? Also, is it a secret agreement as reported? If so, why are the details of it being kept secret?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know of no secret agreement. I very much doubt that there would be one. I have not seen the report referred to by the hon. member. It is possible that it would be based on the meeting of nuclear suppliers which was held in London some months ago, and which Canada attended with the very express purpose of enjoining other countries to upgrade their safeguards to the same high level as Canada has unilaterally upgraded her safeguards. Therefore, in this context, it is true that we are seeking agreement from other countries not to try to undercut us by having lower levels of safeguards and thereby increasing the danger of proliferation. We are seeking this. There is no secret about it. The results of the conference have not yet been conclusive. I will refer any supplementary question to the Secretary of State for External Affairs who may be in a position to add some other facts.

Mr. Broadbent: Mr. Speaker, my supplementary question is of such a general nature that I am sure the Prime Minister will not require particular knowledge to answer it. In his discussions with Prime Minister Ali Bhutto of Pakistan or in discussions between him and Canadian officials, has the Canadian government made clear to the government of Pakistan that we will be insisting that the new safeguard provisions apply to Canadian uranium or reactor by-products which would be used in that country for French plants? I ask this in light of the report that the government of Pakistan is saying that it will not apply the Canadian safeguards to Canadian nuclear material which may be used with equipment or reactors supplied by other countries.

Mr. Trudeau: Mr. Speaker, I can only indicate to the leader of the NDP that we have indeed been discussing safeguards; the Prime Minister of Pakistan, myself and my officials. They have been made aware of the very high level of safeguards that Canada is now demanding. They have argued, with some understanding, that they are concerned that our safeguards are in a sense being applied retroactively since they are being heightened in the process of an exchange which began some years ago. This is the essence of the argument. I cannot report today that the argument has been solved conclusively to the satisfaction of either party. The discussions are going on. I am sure that when we have reached an agreement, as I am confident we will, the House will be made aware of what that agreement is.

Mr. Broadbent: I understand that all the details have not yet been settled. Will the Prime Minister assure the House that one of the preconditions the government of Canada will insist upon is that the safeguard provisions, as they pertain to any further equipment or supplies in the nuclear field supplied by Canada, will in fact apply to equipment now in Pakistan, even though that equipment came from another country originally? Related to that, will he assure the House we will have an opportunity to debate

this very important question before the signing of the agreement?

Mr. Trudeau: Mr. Speaker, the question of the reprocessing plant to which the hon. member is alluding is, of course, at the centre of our discussions with Pakistan, as it was in our discussions with South Korea. The House knows that in the case of South Korea, the government of that country announced it did not intend to proceed with the reprocessing plant. We have no such undertaking from Pakistan. I repeat, the discussion is going on. The House can assume from the position we took in previous cases that we are very concerned about the possibility of a reprocessing plant being set up in Pakistan. That is at the heart of the discussions. I repeat to the hon. member that the discussions are not concluded.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

DATE BRITISH COLUMBIA WILL BE GIVEN FRENCH LANGUAGE SERVICE

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to ask a question of the Prime Minister.

During his recent trip to British Columbia with his cabinet colleagues, the Prime Minister met his political friends many times to discuss the future of French-speaking television in British Columbia. I noticed that the Prime Minister was quite straight in his answers. Can he tell the House if the French-speaking community of British Columbia will really get CBC services in French and when?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as regards the government's intents or, more precisely, those of the Crown corporation called CBC, my answer is yes, for CBC is actually equipped to provide services in French to the French-speaking community of British Columbia. So, as regards the plans, the answer is yes. As for carrying out such plans, the hon. member knows that the corporation must get from the Canadian Radio-television and Telecommunications Commission—the CRTC—the authority to broadcast its programs; and the request for such authority is now before the CRTC. Obviously we hope to have a positive answer. However, I do not want to add anything, for it is almost a judicial commission on which the government cannot exert political pressures.

Mr. Caouette (Témiscamingue): A supplementary, Mr. Speaker.

The Prime Minister's explanations are clear enough. French television has obviously been promised by the government in order that French Canadians in Western Canada be provided with the services of the Crown corporation. Should the CRTC fail to issue the licence, does the government then not have some means, not by putting the matter aside, but to urge the CRTC to grant authorization for broadcasting in French in the west, as much as we in Quebec tolerate English programs in certain regions where there are almost no Anglophones?

[Mr. Broadbent.]

Mr. Trudeau: Mr. Speaker, the hon. member will allow me to make three remarks: first, it is an extremely technical matter. We must know if the stations can be freed or occupied by French-language programs. This again depends on that quasi-judicial commission. Second, the question by the hon. member, in its very form, is purely hypothetical. Third, his question involves some pessimism I do not share.

* * *

[*English*]

URBAN AFFAIRS

MOOSONEE—SUGGESTION THAT HOUSES, SCHOOLS AND OTHER FACILITIES BE MADE AVAILABLE TO NATIVES

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I have a brief but important question for the Minister of State for Urban Affairs. In his absence, I will direct it to the Prime Minister or the acting minister. The question arises out of the disturbing, indeed scandalous, situation at Moosonee portrayed on CBC television last evening. I would ask whether it is possible for the minister to sit down with the appropriate minister in the government of Ontario to make some firm decisions and agreements so that these expensive houses, schools and other facilities can be put to productive use by and for the native people of that region?

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I will take the question as notice and get back to the hon. member with the information.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I have a supplementary question for the Prime Minister. The government of Canada is spending half a million dollars a year to maintain these facilities which include recreation facilities such as a swimming pool which, incidentally, was drained while the Prime Minister's pool was being built. Will the Prime Minister see that these facilities are put to use for those who have lived there all their lives in sub-human conditions? Will he personally take this matter in hand today in order to find a solution to this problem?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will see that the hon. member's representations are drawn to the attention of the minister.

* * *

● (1500)

ENERGY

NUCLEAR SAFEGUARDS—APPLICABILITY TO OLD AS WELL AS NEW INSTALLATIONS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I should like to clarify the intent of the words of the Prime Minister in the answers he gave to the hon. member for Oshawa-Whitby. Am I to understand that it is the policy of the government, in connection with requests for assistance involving nuclear installations in underdeveloped countries, that when those nations already pos-

sess facilities or installations from Canada the government will insist that the new nuclear safeguards will apply equally to the new installations as well as to the old?

Right Hon. P. E. Trudeau (Prime Minister): I can answer the question easily as it applies to new installations of countries which want to share in Canada's technology. As far as installations which already exist are concerned, for example in Pakistan and, for that matter, in India, we are doing our utmost to ensure that our present very high level of safeguards obtains. I cannot give the results of the negotiations with Pakistan and India because they are still going on. We are trying to get the best possible results. The House should be aware of one danger. If we are absolutely dogmatic about this and withdraw all co-operation with such countries, there is no guarantee that we will not end up with even less safeguards than were originally agreed upon, because these countries will say: Okay, you are now imposing new conditions; we do not agree with them. They will break off, and look for technology and supplies in other areas, as indeed has happened.

Some hon. Members: Hear, hear!

Mr. Lawrence: May I attempt to draw out the Prime Minister further by asking him whether the new safeguards would also apply when any nation contracts in the future for fuel for an installation, whether the installation emanates from Canada or not?

Mr. Trudeau: Yes, Mr. Speaker. It is our intention that there should be safeguards over the entire life of the overall components of the nuclear process.

NUCLEAR REACTORS—WILLINGNESS OF PAKISTAN TO SIGN NON-PROLIFERATION TREATY

Miss Flora MacDonald (Kingston and the Islands): A supplementary to the Prime Minister, Mr. Speaker.

Some hon. Members: Hear, hear!

Miss MacDonald: In the discussions with Pakistan were any indications given as to when that country would be prepared to sign and ratify the nuclear non-proliferation treaty?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. The matter was raised on several occasions—prior, I mean, to this particular visit. I believe the subject has been discussed in various forums. I know the answer that Pakistan gives, but I cannot give the House any assurance that they will change their position on it.

PROPOSAL TO ESTABLISH REGIONAL NUCLEAR FUEL CYCLE CENTRE—GOVERNMENT POSITION

Mr. David MacDonald (Egmont): With respect to the concern shown by the Prime Minister in terms of the reprocessing facilities, I wonder whether the government has yet taken a position on the proposal of Secretary of State Kissinger at the United Nations last September when he spoke about the need for the establishment of a multinational regional nuclear fuel cycle centre whose purpose would be to encourage regional energy co-operation and safeguard the peaceful use of nuclear power. Has the government yet taken a position on this proposal and has it formed a part of the negotiations with the other countries mentioned in the context of nuclear safeguards?

Right Hon. P. E. Trudeau (Prime Minister): I would have to inquire whether that particular subject was raised at the nuclear suppliers' meeting in London. Personally, I do not know. I do know that Canada's safeguards have been moved by us to a higher degree of safety than those of any other nuclear supplier and we are trying to bring other countries along in our wake.

* * *

AIRPORTS

TORONTO—REQUEST FOR ASSURANCE NO CHANGE IN CURFEW HOURS OR PLANS FOR EXPANSION

Mr. A. C. Abbott (Mississauga): Mr. Speaker, I have a question for the Minister of Transport. On Tuesday, the Toronto *Globe and Mail* reported that a letter had been sent by the minister to the City of Mississauga implying that the Toronto International Airport might be expanded. The minister subsequently denied this but said arrival times might be spread out. Can the hon. gentleman confirm, first, that in planning to spread arrival times the minister will not drop the present curfew hours, and, second, that the government will not alter its commitment that there will be no significant airport expansion at Malton, despite the Tory government in Ontario reneging on its commitments in connection with Pickering.

Hon. Otto E. Lang (Minister of Transport): I am happy to reassure the hon. member on both those points. No consideration has been given to any change in the curfew. The lack of facilities at Pickering does mean that we face a heavy volume of approaching traffic in the Toronto region and are obliged to look at the Malton facilities to determine how the airport can, indeed, cope with the pressure which will be placed upon it. That was the point of the sentence in my letter to which the hon. member referred. I might say that my letter went on to emphasize our consciousness of the concern and interest of the people in the area of the airport, and the way they suffered as a result of the increased use of that airport. It did refer to the commitment against further expansion at Malton.

* * *

FOREIGN INVESTMENT

TAKEOVER OF CHECKERBOARD FOODS BY SWIFT CANADIAN—APPROVAL BY COMBINES BRANCH—REQUEST FOR REPORT

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, may I address a question to the Minister of Industry, Trade and Commerce? It relates to the takeover of Checkerboard Foods by Swift Canadian and has to do with the question I put to the hon. gentleman yesterday. He told us then that he would have an answer the next day or two from the combines investigation branch. In view of the fact that the company is due to close down today and lay

off 180 workers, may I ask the minister whether he has received that answer from the Combines Investigation Branch and, further, whether he has looked into the other part of the answer he gave me about the Combines Investigation Act taking precedence over FIRA?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): I regret I do not have the answer today. I am sure we shall have it tomorrow, because the matter will have to be considered tomorrow; it is precisely on the point about which the hon. member asks, namely, whether one act does take precedence over the other. That is a matter we shall have to decide tomorrow; it is not quite clear and there will need to be considerable discussion about it.

Mr. Saltsman: Will the minister take a look at the precedent established by a former minister of trade and commerce, Mr. Howe, that of rejecting any advice from the Combines Investigation Branch?

* * *

NATIONAL DEFENCE

ALLEGATION CONCERNING CLOSURE OF BASES IN ALBERTA AND REMOVAL OF AIRBORNE REGIMENT FROM EDMONTON—GOVERNMENT POSITION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of National Defence. In the light of a statement by a senior officer of the National Defence Employees' Association last Thursday or Friday that we can announce on unimpeachable authority that it was being recommended that the airborne regiment be moved from Edmonton and that two other bases in Alberta would be closed, may I ask whether the minister is able to verify this information. If so, can he tell us whether these recommendations have reached his cabinet colleagues and what his position will be?

Hon. James Richardson (Minister of National Defence): I am unable to go beyond the answer I gave yesterday on this same general subject. I cannot comment on individual decisions, or individual bases or individual regiments. They are all being considered in the course of the infrastructure study which is going ahead at the present time.

INFRASTRUCTURE STUDY—DATE OF RELEASE OF REPORT

Mr. Eldon M. Woolliams (Calgary North): Will the minister confirm or deny reports that the land forces based in Calgary are to be moved and that bases are to be closed in the Province of Alberta? If he cannot give an answer today, may I ask him when that secret report he has been studying will be publicly disclosed so that he can give honest and straightforward answers in the House?

Hon. James Richardson (Minister of National Defence): I said yesterday that the recommendation would probably go before cabinet next month, and that I did not know how long cabinet would take to consider them.

Mr. Woolliams: A supplementary question, Mr. Speaker. When the minister said that recommendations will go forward, I take it he now has positive and definite information. What are the recommendations, and are these bases going to be closed?

● (1510)

CLOSURE OF BASES—REQUEST FOR ASSURANCE CIVILIAN EMPLOYEES WILL RECEIVE HELP FINDING EMPLOYMENT

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I direct my supplementary question to the Prime Minister. Since 35 to 40 per cent of the civilian employees at Canadian military bases across the country are between the ages of 52 and 54 years and have a general education level less than grade 10, and since they are in a sense technologically redundant which would make it extremely difficult to place them in equivalent jobs in their present home situations, what assurances can the Prime Minister give these individuals that when the time comes for a hard decision, for biting the bullet, every possible opportunity, indeed priority, will be given them to find or help them to find equivalent jobs in their local areas without undue hardship?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, part of the question is by way of representation, of which, of course, I take note. The hon. member will have heard the Minister of National Defence indicate on previous occasions when there was a discussion of base closings that all these precautions were indeed important, that we would take them, and we will continue to take them.

* * *

INDUSTRY

DATE OF STATEMENT BY PRIME MINISTER ON PRODUCTIVITY INCENTIVES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, may I direct my question to the Prime Minister. As the Prime Minister assured me three weeks ago that he would soon be making a statement to the House or taking part in a debate to outline the government's position on the introduction of productivity incentives, to be paid in direct proportion to increases in productivity, following my original question on the subject of four months ago, would the Prime Minister advise the House when he intends to speak in the House on this very important matter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will consult my calendar and perhaps let the hon. member know.

* * *

[*Translation*]

CULTURAL AFFAIRS

MEANS OF GIVING PROVINCES JURISDICTION OVER CULTURAL ACTIVITIES

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, I would like to direct my question to the right hon. Prime Minister.

Considering the declarations by the Leader of the Opposition during the leadership campaign, to the effect that the field of cultural affairs should be transferred to the provinces, and considering that on Monday, February 23, the secretary of the office responsible for federal-provincial relations declared before the Institute of Public Administration of Canada that the cultural security which Quebec is seeking could be achieved without entailing a transfer of jurisdiction, can the right hon. Prime Minister confirm whether or not he agrees with this opinion and advise the House whether the government is working to devise a formula which would enable Quebec or any other Canadian province to fulfil its objectives of cultural identity without having to reopen the issue of separation of jurisdiction, such as it is defined in sections 91 and 92 of the British North America Act?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the answer in one word is yes. I agree with this view. Indeed I believe it is possible and desirable for each province to work very efficiently in this field. I think that the history of the last decades also indicates that the federal government must keep playing its role in the cultural field, in particular as far as protecting and promoting the French language. I think it is an acknowledged fact that federal agencies have done a lot for the development and progress of the French language in this country. Therefore I think that, within the framework of the constitution as it is presently written, it is possible to achieve enormous progress in this domain and enable the provinces to protect their cultural legacy without having to amend the constitution.

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CANADIAN BROADCASTING CORPORATION

ALLEGED FALSIFICATION OF CANADIAN CONTENT FIGURES—GOVERNMENT ACTION

Mr. René Matte (Champlain): Mr. Speaker, I have a question for the Secretary of State.

Recently the president of the Union des artistes sent to the minister a brief in which it showed how the CBC falsified the real Canadian content of its programs. Would the minister tell the House if he has examined this brief and what measures he intends to take?

[*English*]

Hon. James Hugh Faulkner (Secretary of State): Yes, Mr. Speaker, I have seen the brief. I am studying it and, of course, the corporation is studying it.

* * *

NATIONAL DEFENCE

INVESTIGATION OF LENGTH OF TIME TAKEN TO START SEARCH FOR MISSING FISHERMEN—REQUEST FOR REPORT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is diverted to the Minister of National Defence. Has the minister had a chance to investigate the length of time it took the air-sea rescue unit in Halifax to respond to the unfortunate incident when two fishermen were lost off the east coast of Newfoundland?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, to the extent that I have been able to examine the facts at this time, I may say this was essentially a marine search. There were three vessels in the area. The main function of our air search and rescue is to identify and find missing objects, such as missing ships, from the air. There was no reason to send out an aircraft because the Coast Guard were already in contact with the ship that was in difficulty. It was only later when contact with the ship was lost during the night that we had to send out an aircraft, and that explains in part the time it took for the aircraft to get there. There was no reason for it to start out in the first instance, but once it was needed it got there and did discover the ship.

POSSIBILITY OF ESTABLISHING AIR RESCUE UNIT IN NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): A supplementary question, Mr. Speaker. I cannot agree with that philosophy or strategy but I do not want to argue with the minister. In view of the fact that there have now been three incidents, would the minister consider the provision of an air rescue element in the province of Newfoundland? Would the minister also consider, having regard to his statement last year that he was going to set up two new air force auxiliary reserve units, locating one in Newfoundland where the infrastructure exists as a result of the existence of SAC bases there during there war? It could be done at low cost, and recruits would be available from air cadet units and other units.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I did explain to the hon. member before why it was not practical or efficient for us to have an air search and rescue capability in Newfoundland, that we should not spread that capability around to places where maintenance work could not be done. There are also other reasons why it would not be cost-effective. As for the air reserve, I would be glad to take another look at that possibility.

* * *

NATIONAL PARKS

WOOD BUFFALO—REMOVAL OF LAND FROM PARK TO SATISFY LAND CLAIMS OF TREATY NO. 8—CONSIDERATION OF ALTERNATIVE

Mr. Peter Elzinga (Pembina): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Would the minister inform the House whether it is still the intention of the government to proceed with the removal of land from Wood Buffalo National Park to satisfy land claims of treaty No. 8?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker.

Mr. Elzinga: Mr. Speaker, I have a supplementary question. In view of the fact that the government knew of

Treaty No. 8 in 1922 when the park was first established and made no allowance for the removal of land to cover treaty requirements at that time, would the minister consider negotiating with the province so that provincial Crown land could be used to satisfy the treaty requirements, instead of portions of Wood Buffalo National Park, so we can preserve the park intact?

Mr. Buchanan: There was considerable study made of this selection, by the Indian people, prior to this action being taken and they did identify roughly 42,000 acres which are being withdrawn from Wood Buffalo National Park. There are an additional 55,000 acres still outstanding which will quite likely come from Alberta Crown lands. That was the land identified, and since this was an obligation, as the hon, member has said, ante-dating the creation of the park, we felt it had a prior claim.

* * *

FOREIGN INVESTMENT

ATTEMPTED TAKEOVER OF WESTINGHOUSE—DATE OF DECISION

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the fact that concern grows every day that employees of Westinghouse Canada wait for a decision, I wonder whether the minister is now in a position to provide any reassurance that the jobs there will be protected; and would he specifically give an answer before he leaves for his next journey abroad?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I answered this question earlier when it was put to me by the hon. member for Hamilton West. I indicated then that I was doing my best to get the matter resolved during the current week, and that continues to be the position.

* * *

EXTERNAL AFFAIRS

GUATEMALA—PRODUCTION OF PREFABRICATED HOUSES TO AID EARTHQUAKE VICTIMS AND RELIEVE UNEMPLOYMENT IN CAPE BRETON

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the right hon. Prime Minister. Since shelter is of paramount importance to the unfortunate and homeless people of Guatemala, I wonder whether the right hon. gentleman and his government would give consideration to a program that would produce prefabricated housing involving Canadian materials and workmanship: and in view of the fact that this type of housing can be produced quickly at the Point Edward industrial park in Cape Breton, such a program would serve a two-fold purpose: it would aid the victims of the earthquake in Guatemala, and also tend to reduce somewhat the very high unemployment rate in Cape Breton, of which I am sure the right hon. gentleman is very much aware.

[Mr. Elzinga.]

● (1520)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I thank the hon. member for his suggestion on a matter which is obviously of serious concern. I will ensure that the Minister of State for Urban Affairs and the Secretary of State for External Affairs are seized of this question. If there is something we can do about it, we will be glad to do so.

OBJECTION OF MAYOR OF HULL TO HER MAJESTY OPENING OLYMPIC GAMES—GOVERNMENT POSITION

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I have a question for the right hon. Prime Minister, and I am sure he will agree with my premise and my interest in the question which pertains to Her Majesty, who is no foreigner in Canada.

Some hon. Members: Hear, hear!

Mr. Alkenbrack: How does the right hon. gentleman view the strange and absurd paradox in the recent utterances of His Worship the mayor of Hull in today's press, voicing objection to Her Majesty presiding at the opening of the Canadian Olympic Games in Montreal when he said:

She has no business being there. We don't need foreigners to open our games.

At the same time, His Worship voices no objection to the presence in the latest of Her Majesty's public works estimates of $50 million for Hull.

Mr. Speaker: Order, please.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sure the House realizes I have no jurisdiction, direct or indirect, over the mayor of Hull. The hon. member has made a representation and I am sure the mayor of Hull will hear about it.

* * *

EXPORT DEVELOPMENT CORPORATION

VALUE OF CONTRACTS FOR MARINE INDUSTRIES LIMITED—SUGGESTION FINANCING BENEFITS BE SPREAD MORE EQUITABLY

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, is the Minister of Industry, Trade and Commerce aware that three companies, two foreign controlled and the Simard-Bourassa dominated Marine Industries Limited, received 52½ per cent of the benefit of some $695 million in contracts signed by Export Development Limited in 1975 and, if so, would the minister indicate whether he feels it is desirable to have such a concentration of financing for the benefit of a corporate few?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, the question asks for an opinion and I will be glad to give it. If it results in, what was the figure, some half a billion dollars worth of business I would think the EDC was fully justified, with the normal kind of protection for Canadian people, investing

in that kind of undertaking for export. I only wish we had half a dozen more like it.

Mr. Stevens: Mr. Speaker, my supplementary question is again directed to the Minister of Industry, Trade and Commerce. In view of the huge sums that are involved here, will he indicate whether he intends to take any steps to ensure in future that the EDC financing benefits will be spread more equitably to businessmen throughout Canada, and that financings of up to $130 million, as in the case of Marine Industries Limited, of dredging fame, will not be permitted to occur in the future, bearing in mind that these financings have a seven per cent interest rate which is a tremendous subsidy by the people of Canada to these corporate few?

Mr. Jamieson: Mr. Speaker, I would really like to know from the hon. member if he is telling me that the Export Development Corporation should not be making substantial efforts to get every dollar's worth of export that we can. It seems to me he is calling into question the whole proposition. If he is, I would be glad to debate it with him. As for the money being available to further business, of course we are making every effort to do this, and if the hon. member knows of any businesses anywhere in this country which have a legitimate opportunity abroad and can be helped by EDC financing I will personally take them by the hand down to the bank.

* * *

PUBLIC BUILDINGS

VANCOUVER—LOCATION OF DISTRICT TAXATION OFFICE AND HABITAT CONFERENCE CENTRE

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, sometime ago I raised a question with the Minister of Public Works and the Minister of National Revenue as to the new location of the district taxation office in Vancouver. In view of the fact the existing building was to be recycled for use by the Habitat Conference, and since that conference is to be held in Vancouver in about three months, I should like to ask the minister what new arrangements have been made to house the district taxation office, and where the Habitat Conference centre will be located?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I will have to take the question as notice.

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COMMONWEALTH AFFAIRS

POSSIBILITY OF PAKISTAN REJOINING COMMONWEALTH

Mr. F. A. Philbrook (Halton): Mr. Speaker, in light of the visit of the Pakistan Prime Minister, I should like to ask the right hon. Prime Minister whether there is any suggestion, encouragement or hope of Pakistan rejoining the Commonwealth in the near future?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I honestly cannot answer the hon. member. The Prime Minister and I discussed the matter a couple of times in different circumstances. I cannot, of course, indicate what his answer or his attitude will be. I can assure the hon. member that the matter of the Commonwealth was discussed.

* * *

AGRICULTURE

COW-CALF STABILIZATION PROGRAM—DATE OF ANNOUNCEMENT

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, in view of the fact that many cow-calf producers have payments due very shortly, within the next few months, that they are unable to meet, will the Minister of Agriculture announce very soon his 1976 proposals in order that these cow-calf producers can keep the bankers optimistic and away from their doors?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I have answered this same question several times in the House. I said that we hope to have a program for the beef industry that we can announce in the near future. I said it is going to be in existence for the calendar year 1976.

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TRADE

POSSIBILITY OF TRADING WHEAT FOR VENEZUELAN OIL

Mr. Jack Murta (Lisgar): Mr. Speaker, in view of the Prime Minister's recent trip to Venezuela, I should like to ask whether he had discussions with Venezuelan officials about entering into an agreement for the sale of wheat to Venezuela against the sale of Venezuelan oil to Canada and, if so, could he inform the House of the outcome of the discussions that took place?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in the context of discussions on trade, particularly with a view to reducing the deficit trade balance we have with Venezuela because of our large imports of petroleum to eastern Canada, the matter of various food stocks was raised. This was raised by me in general terms and officials pursued the discussions in more concrete terms. I have no announcement to make about any specific agreement that has been made in that regard, but both sides have agreed to advance the interests of each other in so far as possible.

* * *

FINANCE

MONITORING OF INCOME OF INSURANCE AGENTS IN BRITISH COLUMBIA—GOVERNMENT POSITION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, in the absence of the minister my question is directed to the Parliamentary Secretary to the Minister of Finance. In British Columbia the ICBC insurance rates have recently experienced an across the board doubling, and the income of eight private agents selling that insurance has also been

increased to a very substantial degree. Would the parliamentary secretary advise whether the department is carrying out any monitoring of incomes of insurance agents in the province of British Columbia in view of the fact that the people buying that insurance are having their wages frozen, whereas agents in some cases are substantially increasing their incomes, obviously well above the federal government guidelines?

[*Translation*]

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the hon. member put that question for the first time on February 5, 1976. The Minister of Finance has already answered it. On the adjournment motion on February 10, 1976, he put the same question again and I answered him. Today I am glad to see that he introduces a new aspect which concerns the commission paid to the agent. I shall be glad to get an interpretation on this thoroughly new aspect of his question and I want to mention that we are dealing with a provincial Crown corporation and that I shall make the required representations.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

POSSIBILITY OF MERGING OFFICES WITH MANPOWER—GOVERNMENT POSITION

Mr. John Wise (Elgin): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration and its purpose is to seek some clarification of a fairly recent statement by the minister in northern Ontario in which he indicated that the offices of the Unemployment Insurance Commission and Canada Manpower should be combined. I would ask first whether the minister was quoted accurately and, if so, will he give some indication as to the proposed timing of such a move?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I was not quoted precisely. I was asked whether this possibility was being examined. I indicated it was an option that had been looked at and was under consideration, but that no decision had yet been taken.

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ELECTIONS

DATE OF BY-ELECTIONS IN ST. JOHN'S WEST AND OTTAWA-CARLETON

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I have a brief question for the Prime Minister. In view of the fact the constituency of St. John's West has been vacant now since last September, will the Prime Minister tell the House when he intends to call a by-election there, as well as in Ottawa-Carleton and wherever else he would care to meet us in combat?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have discussed the matter of the vacancy in St. John's West with the Minister of Industry, Trade and Commerce

[Mr. Leggatt.]

and I hope I will have an announcement to make in that regard within the next 10 or 12 days.

* * *

● (1530)

[*Translation*]

ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that the following communication has been received:

Government House
Ottawa

February 25, 1976

Sir:

I have the honour to inform you that the Hon. Jean Beetz, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 25th day of February, at 5.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General.

ROUTINE PROCEEDINGS

[*Translation*]

INFORMATION CANADA

TABLING OF ANNUAL REPORT, 1974-75

Mr. Fernand E. Leblanc (Parliamentary Secretary to Minister of Labour): Mr. Speaker, pursuant to Standing Order 41(2) I wish to table two copies, in both official languages, of the annual report for 1974-75 of the defunct agency Information Canada.

* * *

[*English*]

ENERGY

TABLING OF ENERGY CONSERVATION MEASURE

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, under Standing Order 41(2) I wish to table two copies in both official languages of the government's new energy conservation measure.

[*Translation*]

NATIONAL SECURITY

PETITION PRESENTED BY MR. LAMBERT (BELLECHASSE)

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to the standing orders of the House, I want to table a petition signed by 4,700 residents of various provinces in Canada. It says:

WHEREAS Interpol, an international police agency, obtains information on Canadian people;

WHEREAS Interpol gives that information to its fascist or communist members;

WHEREAS the personal integrity of each Canadian citizen must be protected against such actions;

THEREFORE the undersigned humbly ask your Honourable House to agree to break all relations with Interpol until an investigation by the government of Canada is completed or legislation passed to forbid the submission of information on Canadian citizens to fascist and communist countries by Interpol

And the undersigned will continue to urge you.

* * *

[*English*]

MAIN ESTIMATES, 1976-77

REFERENCE OF ITEMS TO STANDING COMMITTEES

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, pursuant to Standing Oder 59(1) I move:

That the Estimates of sums required for the service of Canada for the year ending 31 March 1977, laid before the House 18 February 1976, be referred to the several Standing Committees of the House as follows:

To the Standing Committee on Agriculture:

Agriculture Votes 1, 5, 10, 15, 20, 25, L30, 35, 40, 45, 50, 55 and 60

To the Standing Committee on Broadcasting, Films and Assistance to the Arts:

Communications Votes 1, 5, 10 and L15

Secretary of State Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, L75, 80, 85, 90, 95 and L100

To the Standing Committee on External Affairs and National Defence:

External Affairs Votes 1, 5, 10, L15, 20, 25, 30, L35, L40, and 45

National Defence Votes 1, 5, 10, and 15

To the Standing Committee on Finance, Trade and Economic Affairs:

Consumer and Corporate Affairs Vote 30

Finance Votes 1, 5, 10, 20 and 25

Industry Trade and Commerce Votes 1, 5, 10, L15, L20, L25, L30, L35, 40, 45, 50, 55, 60, 65, 70 and 75

National Revenue Votes 1 and 5

Privy Council Vote 20

To the Standing Committee on Fisheries and Forestry:

Environment Votes 1, 5, 10, 15, 20, 25 and 30

To the Standing Committee on Health, Welfare and Social Affairs:

Consumer and Corporate Affairs Votes 1, 5, 10, 15, 20 and 25

National Health and Welfare Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60 and 65

Urban Affairs Votes 1, 5, 10, 15, 20, L25, 30, 35 and L40

To the Standing Committee on Indian Affairs and Northern Development:

Indian Affairs and Northern Development Votes 1, 5, 10, L15, L20, 25, 30, 35, L40, L45, L50, L55, L60, L65, 70, 75, 80 and L85

To the Standing Committee on Justice and Legal Affairs:

Justice Votes 1, 5, 10, 15, 20, 25 and 30

Solicitor General Votes 1, 5, 10, 15, 20 and 25

To the Standing Committee on Labour, Manpower and Immigration:

Order Paper Questions

Labour Votes 1 and 5

Manpower and Immigration Votes 1, 5, 10, 15, 20, 25 and 30

To the Standing Committee on Management and Members Services:

Parliament Votes 5 and 10

To the Standing Committee on Miscellaneous Estimates:

Finance Vote 15

Governor General and Lieutenant Governors Vote 1

Parliament Vote 1

Privy Council Votes 1, 5, 15 and 25

Science and Technology Votes 1, 5, 10, 15, 20, 25, 30, 35 and 40

Secretary of State Vote 105

Supply and Services Votes 1, 5, L10, 15, 20 and 25

Treasury Board Votes 1, 5, 10, 15, 20 and 25

To the Standing Committee on National Resources and Public Works:

Energy, Mines and Resources Votes 1, 5, 10, L15, L20, 25, 30, 35, 40, L45, L50, L55, L60, 65, 70 and 75

Public Works Votes 1, 5, 10, 15, 20, 25, L30, 35, 40, 45 and 50

To the Standing Committee on Privileges and Elections:

Privy Council Vote 10

To the Standing Committee on Regional Development:

Regional Economic Expansion Votes 1, 5, 10, L15, L20, 25, 30 and L35

To the Standing Committee on Transport and Communications:

Post Office Votes 1 and 5

Transport Votes 1, 5, 10, 15, 20, 25, 30, L35, 40, 45, 50, 55, L60, 65, L70, L75, 80, 85, 90, 100, L105, 110, 115 and 120

To the Standing Committee on Veterans Affairs:

Veterans Affairs Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50 and 55

Mr. Speaker, perhaps I might give the members of the House the assurance that we are following past practices in all respects in the reference of these estimates, except that the estimates for the House and Commons and the Library of Parliament are being referred to the Standing Committee on Management and Members' Services rather than to the Standing Committee on Miscellaneous Estimates.

Mr. Speaker: The House has heard the motion. Is it agreed and so ordered?

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 3,890, 3,944, 3,961, 3,981, 3,986, 3,996 and 4,060.

[*Text*]

INCOME TAX PAID BY CHARTERED BANKS

Question No. 3,890—**Mr. Lambert (Bellechasse):**

Have the chartered banks paid income tax during each year between 1967 and 1974 and, if so, what was the amount in each case?

Hon. Jack Cullen (Minister of National Revenue): Yes. Income tax paid by chartered banks is as follows:

	Total federal and provincial tax in million of dollars
1967	104.7
1968	117.1
1969	231.4
1970	245.1
1971	254.9
1972	285.6
1973	274.5
1974	316.5

DEPARTMENT OF COMMUNICATIONS INFORMATION KIT "INTRODUCING CTS, CATALYST IN SPACE"

Question No. 3,944—**Mr. Lachance:**

1. What private or public agency was authorized to prepare the Department of Communications' information kit entitled *Introducing CTS, Catalyst in Space*?

2. (a) What were the production and distribution costs of the kit (b) how many issues were distributed (i) in what locations (ii) to whom?

3. (a) What were the fees, if any, paid to the publicity agency that designed the kit (b) who, in particular, designed the big poster included in the kit (c) who authorized its production (d) what were the production costs?

4. Under the budget restrictions of the Anti-Inflation Programme, does the Department of Communications expect to reduce its publicity expenditures and, particularly, to produce simple information kits?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Communications): 1. The Department of Communications.

2. (a) $22,583.20. Total production cost (including design and printing). $2,932.14, Distribution cost. (b) 10,000. (i) Across Canada and abroad. (ii) 4,500 persons in industry and institutions, e.g., universities, libraries, etc. in Canada and abroad who specifically ask for material emanating from the Department; 2,000 to the Department's five regional offices for subsequent distribution; 2,500 to CTS experimenters, and 1,000 in reserve to enable the Department to respond to specific requests for information on CTS.

3. (a) $12,080.20 (including 3d). (b) Don Hewson and Associates, Ottawa. (c) The Department of Communications. (d) $9,634.

4. The CTS program is of major significance to the Department of Communications, in terms both of the effort involved and of the proportion of the departmental budget devoted to it. Because of the value of the kit as an informational tool designed to explain an area of science and technology in which Canada is increasing its expertise and gaining a world-wide reputation, and in view of the cost of information material of this sort, the expenditure on this aspect of the project is not considered to be high.

"A CONSERVER SOCIETY"

Question No. 3,961—**Mr. Baker (Grenville-Carleton):**

1. Has a core group been formed as a result of a project called "A Conserver Society" and, if so, what is its title?

2. Does the group center its activities in Montreal?

3. Aside from an Interuniversity Committee representing McGill and Montreal Universities, the Science Council, Department of the Environment and the Department of Supply and Services, what other departments and/or agencies form the rest of the core group for this study?

[Mr. Cullen.]

4. What functions does the group or committee serve and what is its budget?

5. What are the names of the (a) individuals involved and which departments and/or agencies do they represent (b) representatives from the Interuniversity Committee?

6. What salaries and/or expenses are received by each individual for the services on the group?

7. Are all of the departments and/or agencies able to issue contracts independently and, if not, is it done by one agent for all and, if so, who is the agent?

8. What contracts have been awarded (a) by each of the 12 or more departments and/or agencies involved in the study or the central agent on their behalf (b) by the core group for this study in lifestyles entitled the "Conserver Society" and, for each project (i) what was the amount (ii) what was the initiating and terminating date (iii) was it tendered (iv) was it a result of an unsolicited proposal?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes, no specific title is used other than "Progress Review Committee."

2. No.

3. Other departments or agencies—Energy, Mines and Resources, Agriculture Canada, Central Mortgage and Housing Corporation, Dept. of Industry, Trade and Commerce, National Research Council, Privy Council Office, Canadian International Development Agency, Dept. of Indian and Northern Affairs, Ministry of State for Science and Technology, National Film Board and Secretary of State. Note: There are no university representatives on this Committee.

4. Review progress of project, there is no specific budget for the "Progress Review Committee." The task is considered as part of their normal project work.

5. The following are the only permanent members of the "Progress Review Committee:" (a) Dr. A. J. Cordell (Science Council of Canada), Dr. W. R. Durie (Environment Canada), Dr. H. F. Fletcher (Environment Canada), Mr. John St. Louis (Dept. of Supply and Services). Representatitves from the other departments/agencies on an "as required basis." (b) No university representatives.

6. No salaries/or expenses are received under this contract by members of "Progress Review Committee."

7. No—the Department of Supply and Services is the sole contracting agency.

8. Only one contract has been awarded by the Department of Supply and Services for the study—(i) $195,000. (ii) November 1, 1974 to April 30, 1976. (iii) No. (iv) Yes.

LANGUAGE TRAINING PROGRAMS TO ASSIST VOLUNTARY AGENCIES

Question No. 3,981—**Mr. Matte:**

1. Has the Department of the Secretary of State ever granted funds for language-training programmes designed to assist voluntary agencies and, if so, what was the total amount?

2. For each such grant, what was (a) the name and address of the agency (b) the amount?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): The Department of the Secretary of State has not granted funds for language training programmes designed to assist voluntary agencies.

MILK PRODUCTION

Question No. 3,986—**Mr. Brisco:**

By province, what was the total milk production in (a) 1974 (b) 1975?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports the following: Total Milk Production in Canada, by Province, 1974, 1975. Total milk production for 1975 will be published March 15, 1976. The table below shows milk production in Canada by province for 1974 and production by province for the eleven month period January-November for the years 1974 and 1975.

	12 months 1974	12 months 1975	11 months 1974	11 months 1975
Prince Edward Island	171,905		160,697	180,991
Nova Scotia	329,461		300,682	306,667
New Brunswick	225,993		208,544	217,798
Quebec	6,343,476		5,949,718	6,259,846
Ontario	5,972,955		5,487,474	5,782,039
Manitoba	762,029		708,018	721,768
Saskatchewan	560,952		521,429	496,128
Alberta	1,283,456		1,184,542	1,220,118
British Columbia	1,020,135		922,745	984,536
Canada	16,670,362		15,443,849	16,169,891

GRANTS

Question No. 3,996—**Mr. Matte:**

1. Has the Department of Consumer and Corporate Affairs granted subsidies under the Consumer Subsidy Programme in the Constituency of Champlain and, if so, what is the total amount?

2. For each such subsidy, what was (a) its purpose (b) the amount (c) the year it was made?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): No.

NOTE: Consumer Assistance grants are not made on the basis of constituency allocation.

ALLOTTED FUNDS FOR ON THE JOB TRAINING PROGRAMME IN CHAMPLAIN CONSTITUENCY

Question No. 4,060—**Mr. Matte:**

1. Has the Department of Manpower and Immigration allotted funds for the On the Job Training Programme in the Constituency of Champlain and, if so, in what amount?

2. What (a) are the addresses of the Manpower Centres (b) are the courses offered (c) is the salary paid to persons who are registered for such courses?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. The On the Job Training Programme was terminated on June 17, 1974.

2. Not applicable.

Non-Canadian Publications

[*English*]

STARRED QUESTION

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call starred question No. 3,529.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

*PEI COMPREHENSIVE DEVELOPMENT PLAN—PHASE 2

Question No. 3,529—**Mr. MacDonald (Egmont):**

Will the government's anti-inflation measures have any effects on the negotiations for costing arrangments in the final three years of Phase 2 of the PEI Comprehensive Development Plan and, if so, what are they?

[*English*]

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, the answer to this question is: There is no reason to believe at this stage that anti-inflation measures will have a negative impact on future development plan negotiations. However, planning for the final three years will be guided by existing economic conditions.

MOTIONS FOR PAPERS

[*English*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Is it agreed.

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISIONS ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed, from Monday, February 23, 1976, consideration of the motion of Mr. Faulkner that Bill C-58, to amend the Income Tax Act, be read the third time and do pass and the amendment (Mr. Friesen) (p. 11130).

The House divided on the amendment (Mr. Friesen), which was negatived on the following division:

● (1540)

(*Division No. 110*)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Andre
(Calgary Centre)
Baker
(Grenville-Carleton)
Balfour
Bawden
Beatty
Beaudoin
Brisco
Cadieu
Caouette
(Villeneuve)
Caouette
(Témiscamingue)
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Coates
Crouse
Darling
Dinsdale
Dionne
(Kamouraska)
Elzinga
Epp
Fairweather
Forrestall
Fortin
Fraser
Friesen
Gauthier
(Roberval)
Gillies
Grafftey
Halliday
Hamilton
(Swift Current-
Maple Creek)
Hargrave
Hees
Hnatyshyn
Holmes
Holt (Mrs.)
Howie
Huntington
Hurlburt
Jarvis
Jelinek
Johnston
Kempling
Knowles
(Norfolk-Haldimand)
Lambert
(Bellechasse)
Lambert
(Edmonton West)
La Salle
MacDonald
(Egmont)
MacKay
MacLean
Macquarrie
Malone
Marshall
Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Muir
Munro
(Esquimalt-Saanich)
Murta
Neil
Nielsen
Nowlan
Oberle
O'Sullivan
Paproski
Patterson
Ritchie
Roche
Rondeau
Rooney
Schellenberger
Schumacher
Scott
Smith
(Churchill)
Stanfield
Stewart
(Marquette)
Towers
Wenman
Whiteway
Whittaker
Wise
Woolliams
Yewchuk—91.

NAYS

Messrs.

Abbott
Allmand
Anderson
Andras
(Port Arthur)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Blaker
Blouin
Boulanger
Breau
Brewin
Broadbent
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Caron
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Cullen
Cyr
Daudlin
De Bané
Demers
Dionne
(Northumberland-
Miramichi)
Douglas
(Nanaimo-Cowichan-
The Islands)
Drury
Duclos
Dupont
Dupras
Duquet
Ethier
Faulkner
Firth
Fleming
Flynn
Foster
Fox
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Goodale
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Haidasz
Harquail
Herbert
Hogan
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Knowles
(Winnipeg
North Centre)
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapointe
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Leggatt
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
MacEachen
MacFarlane
MacGuigan
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Morin (Mrs.)
Munro
(Hamilton East)
Nicholson (Miss)
Nystrom
Olivier
Orlikow
Ouellet
Pearsall
Pelletier
Penner
Peters
Philbrook
Pinard
Poulin
Prud'homme
Railton
Raines
Reid
Richardson
Roberts
Rodriguez
Rompkey
Roy
(Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith
(Saint-Jean)
Stanbury
Stewart
(Cochrane)
Stollery
Symes
Tessier
Trudeau
Turner
Watson
Whelan
Yanakis
Young—136.

● (1600)

Mr. Speaker: I declare the amendment lost.

Amendment (Mr. Friesen) negatived.

Mr. Speaker: I understand there was some disposition to proceed with taking the recorded division on the third reading motion.

Some hon. Members: Agreed.

The House divided on the main motion (Mr. Faulkner) which was agreed to on the following division:

(*Division No. 111*)

YEAS

Messrs.

Abbott
Allmand
Anderson
Andras
(Port Arthur)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Benjamin
Blackburn
Blais
Blaker
Blouin
Boulanger
Breau
Brewin
Broadbent
Buchanan
Bussières
Caccia
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Caron
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Cullen
Cyr
Daudlin
De Bané
Demers
Dionne
(Northumberland-
Miramichi)
Douglas
(Nanaimo-Cowichan-
The Islands)
Drury
Duclos
Dupont
Dupras
Duquet
Ethier
Faulkner
Firth
Fleming
Flynn
Foster
Fox
Gauthier
(Ottawa-Vanier)
Gendron
Gilbert
Gillespie
Goodale
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Haidasz
Harquail
Herbert
Hogan
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Knowles
(Winnipeg
North Centre)
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapointe
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Leggatt
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
MacEachen
MacFarlane
MacGuigan
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
McIsaac
McRae
Milne
Morin (Mrs.)
Munro
(Hamilton East)
Nicholson (Miss)
Nystrom
Olivier
Orlikow
Ouellet
Parent
Pearsall
Pelletier
Penner

Messrs.

Peters
Philbrook
Pinard
Poulin
Prud'homme
Railton
Raines
Reid
Richardson
Roberts
Rodriguez
Rompkey
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stanbury
Stewart (Cochrane)
Stollery
Symes
Tessier
Trudeau
Turner
Watson
Whelan
Yanakis
Young—134.

NAYS

Messrs.

Alexander
Alkenbrack
Allard
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Balfour
Bawden
Beatty
Beaudoin
Brisco
Cadieu
Cafik
Caouette (Villeneuve)
Caouette (Témiscamingue)
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Crouse
Darling
Dinsdale
Dionne (Kamouraska)
Elzinga
Epp
Fairweather
Forrestall
Fortin
Fraser
Friesen
Gauthier (Roberval)
Gillies
Grafftey
Halliday
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hnatyshyn
Holmes
Holt (Mrs.)
Howie
Huntington
Hurlburt
Jarvis
Jelinek
Johnston
Kempling
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
La Salle
MacKay
MacLean
Macquarrie
Malone
Marshall
Martin
Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nielsen
Nowlan
Oberle
O'Sullivan
Paproski
Patterson
Ritchie
Roche
Rondeau
Rooney
Roy (Timmins)
Schellenberger
Schumacher
Scott
Smith (Churchill)
Stanfield
Stevens
Stewart (Marquette)
Towers
Trudel
Wenman
Whiteway
Whittaker
Wise
Woolliams
Yewchuk—95.

● (1610)

Mr. Speaker: I therefore declare the motion carried.

Motion agreed to and bill read the third time and passed.

Mr. Speaker: I understand there is some disposition, upon unanimous consent, to revert to the introduction of bills to permit the Minister of Manpower and Immigration (Mr. Andras) to introduce a bill respecting immigration security. Is that agreed?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

TEMPORARY IMMIGRATION SECURITY ACT

PROVISION RESPECTING DEPORTATION ORDERS

Hon. Robert K. Andras (Minister of Manpower and Immigration) moved for leave to introduce Bill C-85, respecting immigration security.

Motion agreed to, bill read the first time and ordered to be printed.

GOVERNMENT ORDERS

[*English*]

MEDICAL CARE ACT

AMENDMENT TO LIMIT ANNUAL INCREASE IN PER CAPITA COST OF INSURED SERVICES UNDER MEDICAL CARE PLANS

The House resumed, from Tuesday, February 24, consideration of the motion of Mr. Lalonde that Bill C-68, to amend the Medical Care Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs, and the amendment of Mr. Gilbert (p.11210).

Mr. Alan Martin (Scarborough West): Mr. Speaker, before coming back to the comments I started last night in connection with this particular bill, as the first backbencher on the government side to be on my feet in debate since the election of the new Leader of Her Majesty's Official Opposition (Mr. Clark), and particularly as a backbencher, I wish to take this opportunity to offer, not only on behalf of myself but I trust all my colleagues in the backbenches on this side, sincere congratulations and good wishes to the hon. member for Rocky Mountain on his outstanding victory.

Some hon. Members: Hear, hear!

Mr. Martin: If there was ever any question of the worth and importance of backbenchers in our parliamentary system, I think the accomplishment of our distinguished colleague from Rocky Mountain has underlined once and for all the significance and even the ultimate potential of this particular group of parliamentarians.

● (1620)

The hon. member follows a distinguished line of leaders of the Official Opposition in Canadian parliamentary history, most of whom seemed to have emerged from members of his own party, particularly in this century. I can only wish him, once again, a long and successful life in that important role as Leader of the Opposition which he is now commencing. I would, of course, emphasize that latter phrase.

To get back to the bill, I should like at this point to add a comment in connection with the subject of budgetary restraint to which I was referring last night. It is very pertinent to the question asked by the new Leader of the Opposition today, and I would bring it to his attention that Bill C-68 is an example of the kind of restraint I assume he was talking about. It amazes me that his hon. friends—and I hope he will take this up with them—should be spending so much time filibustering this endeavour on the part of the government to exercise restraint in an important area of federal expenditure.

There is another point I wish to make, and I am encouraged to do so now by the filibuster which is taking place. It amazes me that at a time when the rate of inflation was less than 10 per cent the Conservative party should have been running round the country proposing a major anti-inflation program—not one which would have started in a reasonable manner, like the current program, but one which would have commenced with a freeze to be

followed by severe anti-inflation measures—yet now, some 16 months later, when the rate of inflation has moved beyond 10 per cent, it decides to fight against the policy it felt so appropriate when the rate of inflation was considerably lower. I mention this because the new Leader of the Opposition threw a spotlight on this aspect in his question today in the House concerning government expenditure, a subject in which we are all very interested, and with which the minister and his colleagues are attempting to come to grips through measures such as Bill C-68.

The bill before us goes back to the budget of June 25 introduced by a former distinguished member of the House, then minister of finance. There were two major features to which I would call attention. The first related to measures the government was proposing in the area of medicare costs, and the second related to hospitalization costs. Bill C-68 deals with only one of those areas, that is to say, with medicare costs; it does not touch hospitalization costs. Since then, amendments have been proposed and will be introduced in committee, as the Minister of National Health and Welfare (Mr. Lalonde) has indicated following recent meetings with representatives of the Canadian Medical Association and others, including provincial ministers of health.

There was some suggestion that the objective which Bill C-68 seeks to obtain could have been arrived at by means of the regular anti-inflation program. It was argued that it would not be necessary to enact any particular restrictive measure in the area of medicare but that the anti-inflation program could bring about the desired results. The difficulty here is that such a course would not, of itself, encourage all those concerned to exercise cost control, and the more prudent use of our resources which is so evidently needed in medicare programs across the country.

I might at this point put on record a quotation, the author of which I shall name after reading it.

> In simple terms, this means for us and all Canadians that if we allow a system as critical as health service for the needy and, the old and the population as a whole to become more expensive than our taxpayers can afford, then it will collapse, and if it does, only the rich and the advantaged will have care and benefits.

That quotation fits in very neatly with Bill C-68. Those words were not spoken by a member of this House or a member of the government. They were spoken by the Premier of Ontario, the leader of the Tory party in that province.

Mr. Alkenbrack: Hear, hear!

Mr. Martin: In that province, the province of Ontario, it was brought sharply to the attention of the citizens by a prominent member of the government that if something were not done in the near future, the costs of health and education alone would rise to the point at which they would exceed 100 per cent of over-all provincial revenues. Obviously action was required.

There are a number of ways in which health care costs can be reduced over a period of time. One of these involves a fundamental improvement in the health care system, thereby making it more efficient. This was mentioned by the minister in his speech. Second, there is the idea of introducing a new perspective, a new way of approaching the health of Canadians by strengthening personal effort and encouraging people to assume responsibility for improving and maintaining good health. In addition, we might well place extra emphasis upon the reduction of health hazards and measures to protect the health of workers.

As an example of government action in the preventive field one need only mention the recent decision of the Ontario governmnet to make the wearing of seatbelts mandatory. Australia took this step some years ago, and I understand that Quebec is planning to do the same in the not-too-distant future. It is important we should bear in mind that accidents in this country cost up to $2 billion a year, of which some $200 million is directly related to hospital costs and a further $100 million to medicare costs.

A further question which concerns many Canadians is the need to seek ways in which our health care delivery system can be made more efficient. Many Canadians are concerned as to whether or not they are getting the best possible value for the buck which is expended indirectly by them through taxation. It is essential that a realistic ceiling be imposed on medical care cost-sharing arrangements. The bill now before us is a first step in this area. What is called for, and what has already been started, is a general review of health financing arrangements in this country. I repeat that Bill C-68 is merely one step; it relates only to medicare costs. I should like to take a moment or two to explain the two aspects, since it is important that the people should understand them.

● (1630)

In the case of medicare, which is the subject of Bill C-68, costs can indeed increase up to 13 per cent per capita grant, and a further 1.5 per cent for population increase. Here is an important point. This is less than the 16 per cent over-all increase forecast in government expenditures for the coming year; I think that is a very significant point to be made.

Hospital care is an item on which we have heard a good number of speeches and which has been highlighted in the media. It is not affected by Bill C-68. What the former minister of finance proposed in the budget was that in the case of hospital care no change would be made to the existing cost sharing formula between the federal government and the provinces until 1980, at which time the federal government would opt out of the existing arrangement and new kinds of arrangements would have to be negotiated. This is an important point to make, because it is really of no concern to the federal government, or a particular responsibility of the federal government if, for example in the province of Ontario, it is deemed necessary to close the Doctors Hospital in Toronto or any other hospital across the province. Clearly that matter is in the realm and responsibility of the provincial government, and it is not our task either to commend or to criticize that particular move. Obviously Ontario has its financial problems. That becomes obvious when one looks at their own projected deficits of recent years. The province must handle them as it best sees fit.

There has been the insinuation in some of the things we have heard in this House, and which we have read in the media of recent date, that Bill C-68, in some way or another, has a direct or indirect relationship with the

current program of the province of Ontario to reduce hospital costs. I repeat that Bill C-68 has no relationship to hospital costs per se. What happens in 1980 in regard to hospital costs will, of course, be a matter for negotiation, and discussions in this area have already commenced.

In conclusion I should like to point out that the Canadian health insurance program is obviously a very important part of our social insurance system. It is clear though that we have not yet been able to resolve the problem of the rising cost of health services, and in particular the cost of high quality services that have been available to Canadians through the two major national health programs that we have before us. The problem is really both at the provincial and at the federal level.

An important point to make is that health expenditures over-all, despite the highlighting of this item, have been declining in terms of percentage of the gross national product in recent years. For example, in 1971 health care expenditures in Canada were 7.3 per cent of the gross national product. By 1973, two years later, they have moved down to 6.9 per cent. Certainly hospital costs are rising; they have gone up 25 per cent over the level of last year and there is a further 20 per cent predicted this year, with medicare expected to be up as much as 16 per cent. We must keep these programs within bounds that Canadians can afford so that they can get the most out of them.

Open-ended agreements between the federal and provincial governments, I suggest, are a thing of the past; I think that point has been clearly made. They may have had their place when they were initially instituted in the 1960's as a means of getting some of these programs off the ground and achieving some form of basic agreement between the provinces and the federal government. However, I suggest they are not appropriate in face of the present restraint program and some of the other programs before us. Neither are they appropriate for the reasons announced by the minister and those I referred to earlier, and they will not be appropriate in the foreseeable future.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, it is obvious from the number of members who have spoken on this bill that it is of particular concern to members across the country. It is certainly of concern to me because I happen to represent one of the poorer provinces in this country, some parts of which have never seen medical care of any form whatsoever.

The minister defines the problem as the need to control increasing medical care costs, particularly in a period of staggering inflation. In a speech that he made in Calgary last September, in discussing the choices that governments must make in regard to spending priorities he had this to say:

> In making their decisions, governments must always consider whether for some activities there are lower cost means of achieving the same ends. If there are, cost control measures are clearly appropriate and realistic for these areas. In examining the total range of its programs, the federal government decided there were opportunities for significant savings in the health care field.

No one will argue with a minister who says that we must spend the taxpayers' money prudently. But we can and must take issue with the minister when he suggests that Bill C-68 is the solution to the problem of rising medical care costs. With Bill C-68 the minister is not facing the problem but running away from it.

What the bill does is to limit increases in federal contributions to medicare irrespective of what the actual increases in cost may be. The bill is not going to stop costs from escalating. With Bill C-68 the minister is not solving the problem; he is only putting it out of sight and washing his hands of the whole affair, passing it on to the provinces. However, the provinces cannot put the problem out of sight; they will have to bear the increase in costs.

It is sometimes embarrassing to talk about the province of Newfoundland and the difficulties it faces after 27 years of confederation. Some parts of my district have nothing resembling a hospital, have never seen a doctor or a public health nurse. In some cases the people there are suffering from disease because they cannot afford the transportation costs involved in their getting care.

Mr. Breau: Perhaps that is why they are so healthy.

Mr. Marshall: Perhaps it is the fish protein that keeps them healthy. In my district some children are going blind because they cannot afford to buy glasses. People on cancer treatments cannot afford to drive to the proper hospital two, three, four hundred miles away, to get that treatment, which means we are slowly torturing them to death by cutting costs. I do not think that medical care should ever be related to price. It should be the right of every Canadian, be he poor or rich, to get the best medical care, and if this parliament here in Ottawa is responsible for helping the nation, we should see each Canadian does.

The minister has said that this bill is an added inducement to the provinces to find less costly means of providing health services. This implies that the provinces do not have enough inducement already, and that suggestion is not appropriate. The provinces are very much aware of the need to save money wherever they can, more aware than the federal government, it would seem. You will recall, Mr. Speaker, that the provinces had to beg the federal government to take action on inflation, but that action to date has not been very satisfactory.

To return to the question of medical care costs, the minister seems to be suggesting that the provinces will be more careful in spending one hundred cent dollars than fifty cent dollars under shared cost arrangements. This argument defies the very essence of shared cost programs, the purpose of which is to help induce or compel the provinces to make certain types of expenditures priority items in provincial budgets. Such expenditures cannot be equated with wasteful expenditures.

The minister talks of an inducement to the provinces to cut costs. What kind of an inducement can it be when the federal government antagonizes the provinces by taking unilateral action? The minister has thrown consultation to the winds, and that seems to be the way that he is trying to promote this bill.

In the same Calgary speech I referred to earlier the minister said that he was disappointed by the reaction of some provincial ministers of health to the recent budgetary announcements affecting the shared cost health insurance programs. One would have thought they would have welcomed federal leadership in the area of cost restraint.

● (1640)

I can only ask, where is the minister showing leadership? He is not saying how cost increases can be restrained, he is only saying that he will not assume the increased costs above the ceilings. He is giving up on finding ways to cut costs in a situation in which health costs are very difficult to control. The minister should be referring to federal abdication, not federal leadership.

The provinces have rightly protested this federal abdication, this unilateral action of the government, and the two former provincial premiers who sit in this House and well understand the situation from the perspective of the provinces have been very justified in criticizing this bill in the House.

Bill C-68 sets ceilings on increases in federal contributions regarding national per capita costs of services. Initially the bill had a ceiling of 13 per cent for the first year, 10.5 per cent for the second year, and 8.5 per cent for succeeding years. However, the minister has said that the 8.5 per cent ceilings for the third and subsequent years will be removed and substituted by a ceiling dictated by cabinet upon consultation with the provinces. We know that this really means in the end that the federal cabinet will make the decision, whatever the provinces think.

In addition to the fact that this amendment is another example of the cabinet's taking power unto itself, the proposed change is of further significance. By making the size of the limits non-statutory the minister is admitting it is unrealistic to try to predict the increases in medical care costs. If it is unrealistic to make such predictions there can be no justification for imposing statutory limits on federal contributions; that is, there is no justification for this bill at all.

The medicare program provides this country with much needed health care services, and it is because of federal cost sharing that the provinces, particularly the poorer ones, are able to finance the program. If the increase in federal contribution is limited, as this bill proposes, we run the risk that the provinces will have to cut back on services for lack of funds. The minister should make an examination of what will be the effect on the province of Newfoundland.

The president of the Canadian Medical Association brought to bear very forcefully the feelings of that association about this bill when he indicated:

> The introduction of Bill C-68 has the potential for major irreparable harm to the quality of medical care and Canada's medical care insurance program.

He went on to say:

> Must we now view the program as one in which the primary concern is financial, and that in the future the program will be tailored to the financial exigencies of the moment, not medical care requirements? Such a policy poses a major threat to Canadians.

I do not want to belabour the point, but only try to point out again that the richer provinces can cope with increased medical costs or with restraints, but in provinces in the Atlantic region and in the northern areas of the country it is obvious we are not fulfilling our duty to many millions of people in Canada. This is no way to help Canadians keep healthy. Indeed the children of our country are going to school with a lack of nutrition. We should be introducing nutritional programs in schools and considering assisting our senior citizens by providing drug care programs so they can get the drugs they cannot now afford. I suggest to the minister that he would do well if he went along with the pressure brought to bear by my colleagues, and hoisted the bill or abandoned it altogether.

[Mr. Marshall.]

Mr. Derek Blackburn (Brant): Mr. Speaker, I am very happy to participate in this debate this afternoon. First of all I should like to congratulate the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) for the very fine speech he has just made on behalf of those who are disadvantaged, not only in his province of Newfoundland but right across this country. That hon. gentleman has become very well known in this House for that kind of speech and that kind of concern.

My personal intervention today in respect of this bill is somewhat based on the same premise, that while we may talk about the fact that hospitalization at this moment is not really a major issue, as the next two or three years go by I predict that hospitalization will also start going the same way medicare is going at the present time as far as the federal government is concerned. All the indicators are there to warn us of this.

The thrusts of the amendments introduced in the June budget reflect this bill. At that time the former minister of finance aimed to renegotiate the costs and percentages of the act. He had laid down ceilings of 13 per cent for 1976-77, 10 per cent for 1977-78, and 8.5 per cent for years subsequent to that.

The Minister of National Health and Welfare (Mr. Lalonde) opened his remarks on January 28 by stating that Canadians enjoy one of the best health systems in the world. While that is true one must keep in mind that our national coverage, that is, all programs funded on a 50-50 basis, are not as comprehensive as the health insurance programs offered by such nations as West Germany, Holland, and the Scandinavian countries. In essence, then, our national coverage is limited.

Certain provinces have on their own opted to enter into such services as home nursing, denticare, and pharmacare. The costs of these extra programs will run at about $1.9 billion this coming fiscal year. It is for that reason only the wealthier provinces can participate in these extra schemes. Therefore when the minister speaks of "one of the best health systems in the world" he should make sure he qualifies that statement. I would ask him about the provinces that cannot enter into these costlier schemes because of the lack of funds.

What this bill will do is limit the financial contributions in respect of the limited program. In other words, instead of taking a progressive step and having Ottawa expand the medicare program beyond the services provided for in 1968, we will witness a possible reduction in financial contributions. As the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) stated on February 2, the government has been seeking to reduce its responsibility with regard to medicare. We in this party have always believed that added health services should be provided through the 1960 medicare act.

We are talking about one of the most serious social problems in our country today. We are not simply talking

about building highways, bridges or airports. We are talking about the health care of our citizens, and we are not necessarily speaking from the point of view of our own constituents whom we represent, but from the point of view of all Canadians, whether they live in the wealthy provinces, the poorer provinces, or in northern or southern Ontario.

In fact there is a provision in the act for the government, by order in council, to include additional services and enter into agreements with provinces for that purpose. Obviously the government has no intention of doing this. That is regrettable as far as we are concerned. To cut back on its present responsibility, on the other hand, is not only regrettable but clearly unacceptable to me as a member of this House, and to my party.

The actions of the minister by way of Bill C-68 will clearly jeopardize our existing national medicare program, as well as the new programs initiated by some of the provinces. I suggest that the government, instead of trying to control costs, has instituted spending limits just for the sake of cutting government expenditures. As one columnist has said, "It is no longer fashionable to advocate government spending on anything". The government, and indeed the minister, have fallen prey to the myth that all government spending is considered evil. This is something we have to be very concerned about at this time.

● (1650)

I agree with other hon. members that we must cut government spending. The important thing is to pinpoint those areas in which we can most afford cuts, areas that are not really that important to the lifestyle of every Canadian citizen. I have no quarrel with the idea that wasteful government expenditures should be curtailed. However, I find it difficult to believe that the great increase in health costs, especially at the provincial level, has been as a result of waste and inefficiency.

What an insult it must have been to the provinces to be told that the ceilings will provide "an incentive to exercise appropriate cost control over medical costs." That is a quotation from the minister's speech. Again, as other speakers have pointed out, this justification seems absurd when one considers that provincial governments, out of necessity, have been anxious to keep down costs. The reason is that the cost of health services for the most part represents a larger percentage of the provincial budget than of the federal budget. The inevitable results of this type of across-the-board cuts are already being felt across the country.

Just recently one of the headlines in the *Globe and Mail* read: "Toronto Hospitals Face 700 Bed Cut; 1200 Jobs May Go". I shall refer to that a little later. The article went on to say that about 700 hospital beds in Toronto may be eliminated and 1,200 hospital workers in that city may be fired in the Ontario government's cost-cutting campaign. In time 3,000 beds would be eliminated throughout the province. I do not mean to suggest that this is a direct result of the federal government action. What it does signify is that this whole country seems to be on a rampage of financial cuts regardless of the merit of the programs being cut. I suggest that the same holds true in respect of this particular bill.

The minister is simply limiting expenditures for the sake of saving federal funds, without paying enough regard to the actual programs that will be cut. I just referred to the massive cuts in the number of hospital beds that will take place in Ontario. I do not deny that there are a large number of people who need not be in active treatment hospitals. The chronically ill should be in extended care units. Others could be taken care of via home nursing programs. However, no action has been taken in these areas.

People are being put out of hospital beds when they have nowhere to go. In my area of Brant we face an acute shortage of nursing homes as well as of rehabilitation centres which could provide physiotherapy and psychotherapy for many people on an out-patient basis. Most of the short-term programs mentioned above, and indeed many of those referred to by others speakers, would cost a fair amount of money in the short run, but the savings in the long run would be incalculable. The provinces, however, cannot do this alone.

The provinces by themselves would be hard pressed financially, as some already are, in instituting programs such as denticare and pharmacare. I see no reason why children in Newfoundland, New Brunswick, or in the northern parts of Canada should not be entitled to as much denticare or pharmacare as the people in Vancouver, Toronto or Montreal. This bill will only add to the burden faced by the provinces.

The whole idea of providing lower cost services, in effect preventive medicine, certainly is not a novel one as the minister well knows. The minister's department produced a document entitled "A new perspective on the health of Canadians" in 1974 which emphasized the long-run benefits of preventive medicine. In fact the minister even referred to that document in his remarks on second reading of the bill.

I agree that individuals could and indeed should assume more responsibility for maintaining and improving their own health. But this is only part of the solution. Home nursing programs, denticare programs, pharmacare and the like all cost money. Little mention of these was made by the minister. The government should embark immediately on some sort of federal-provincial cost sharing agreement in respect of all programs which provincial governments have financed entirely on their own in many cases. Surely the provision of fully adequate medical and hospital services for Canadians wherever they may live is not asking too much.

References have been made in this House in the past few days during this debate to the cut-back in hospital beds in the province of Ontario. I do not suggest for a moment that this has a direct relationship to Bill C-68, but it has an indirect relationship because the federal government has put the squeeze on the provinces to cut back on medical services. I am not speaking specifically of medical care but medical services in general.

An interesting thing happened in my constituency. There is a hospital in my constituency called the Willett Hospital which has been in operation for 15 years. It is to be closed down. It has over 60 active beds. The cost of each bed is $70. These people will be forced to go to the Brantford Hospital which is overcrowded, and where the cost of

a bed is approximately $105 or $110. That is not really much of a saving. In fact it is waste. Indeed the Brantford General Hospital cannot even handle the extra load coming from the hospital in Paris.

When the formula of four active beds per 1,000 was worked out, the 7,000 inhabitants of the Six Nations Indian Reserve were left out; they were treated as if they did not belong to or live in Brant county. During the last election campaign in Ontario—and I expect I will hear some comment from my friends to the right—the Ontario government gave away $450 million, an amount which would have kept 40 Willett hospitals in operation. A similar hospital would cost about $1.2 million. So there are ways in which to cut costs other than by cutting back on medical care itself. There are many ways in which to do this.

As a matter of fact some doctors in Paris, admittedly a small town, have said they probably would have to move to Brantford. There is another aspect of the cut-back so far as medical care is concerned. In this one instance the equivalent of 90 people will be laid off in a town with a population of 6,500. I have indicated that in a community like Brant county, where there are 5,000 persons chasing 160 jobs, these people will be unemployed and their total UIC benefits will represent $8,000 a week. While the government is desperately trying to cut costs I ask whether it is better to have people working in hospitals such as this, which has a good reputation and where the cost of a bed is $70 compared to $110, and to keep the doctors in the community, or to close down the whole thing at a greater cost to the province or the federal government.

That is really all I have to say at this point. I certainly hope changes will be made to this legislation. I sincerely hope hospitalization will not go the same way medicare is going. In closing, again in all honesty to my political philosophy and political background, I wish to reiterate that I am very proud to belong to a party which pioneered medicare and hospitalization on this continent, and I will be dammed if I will see this thing go down the drain.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I rise to address myself to the amendment of my friend, the hon. member for Broadview (Mr. Gilbert). I am very sorry that most compelling public duties and responsibilities made it impossible for me to be in the Chamber when he made his speech. I was very happy to note that he referred to me every so often. Although I am one of the most modest persons in this Chamber I must confess that like most of our breed, I like a little attention. I thank him for that. He has made the suggestion that I should send my speech to the minister of health in the province of Ontario. I believe the minister of health in the province of Ontario subscribes to *Hansard*. He is a fairly wise man, and I am sure he always looks up my speeches and reads them carefully. But I might drop him a note and tell him also to have a look this time at the address of the hon. member for Broadview.

● (1700)

I am sure that all the provincial ministers are very much aware of what is happening. They may not have been advised beforehand, but they are very concerned now, as well they might be, because even though taken by surprise by the unilateral move, they know full well what this measure will mean to the discharge of their role in providing proper health services to the people of their own provinces, and they know what an effect it will have on their responsibilities, how it will enlarge their problems, and increase their anxieties. However, I will not join in any provincial election campaigning and I am sure that my good friend, the hon. member for Broadview, for whom I have the highest regard, would not have anything like that in mind either, because party politics is very minuscule in reference to a problem so grave and so hurtful to so many Canadians, a matter affecting their health and possibly their lives.

I have been following this important debate very carefully for the short time during which it has been conducted, and there are some observations I hear from the few hon. members who have chosen to debate the bill by which, I must say, I find myself totally unconvinced. One is the suggestion that what is being done by the provinces bears no relationship to what the dominion government is undertaking in this measure and in other withdrawals from shared cost programs. I would just as soon believe that suggestion as I would the emanations of the Flat Earth Society. We all know that the provincial governments are finding it tough because of the withdrawal of the federal government from its promises and commitments in the financial sector, in the whole area surrounding the matter which we are discussing.

Another assertion that I find unacceptable is that which we have heard this afternoon that this really has nothing whatever to do with hospitalization. If you can conceive a society in which medicare and hospital care are separate and distinct entities in no way related one to the other, then one could accept almost any assertion from anybody on any matter. Of course we know that one affects the other, and both profoundly affect and injure the health of the Canadian people.

I also note an assertion that comes up from time to time. The hon. member for Scarborough West (Mr. Martin), who spoke this afternoon, made reference to the termination of open-ended shared programs as being a good thing. He was obviously not listening to my learned and articulate colleagues who had been saying on more than one occasion that there is nothing open-ended about a program which requires one partner to put up 50 per cent, and naturally any provincial government is going to take a close look and give careful attention to the administration of this portion. So to cast about the suggestion that this is an open-ended program or that the provinces have been profligate and careless is, I think, something less than a serious examination of a very grave problem.

I was much impressed, as I always am, by the utterances of my friend and colleague, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). His speech was very valuable, showing the usual compassion and sensitivity which always mark his utterances in this Chamber. He expressed great concern over what happens in the poorer provinces as we see a breakdown of established shared costs programs.

I agree with what the hon. member for Brant (Mr. Blackburn) was just saying, that it is not only in the poorer provinces that there will be danger, suffering, and inequity visited upon the people, but I think the hon. member for Humber-St. George's-St. Barbe is right in

pointing out that one of the most serious dangers of this legislation is that it is going to be a very backward step in a program on which many devoted Canadians before us embarked this country, namely, a move toward a Canada in which there was an equality of services for all Canadians. No Canadian because he lives in a have-not province should be denied those vital social services which could be extended under a program based and funded in a rich province.

We know that one of the vital underpinnings of Confederation was the sharing of advantages and disadvantages as we built up a new community. Some of us in eastern Canada thought we got a bigger share of disadvantages than of advantages, but we are not big enough to be separatist or rich enough to be alienist, so we just have to make a reference to it from time to time to indicate that we know what really took place and has not stopped taking place since.

Dicey, the great English constitutionalist, looks upon the 1870's as the beginning of the modern welfare state. One of the unfortunate situations was that this was about the time we were building a country under our Confederation, and our forefathers put far too many of the social services and requirements and legislative responsibilities into the provincial area where the tax base was limited. So in the last century we have had a constant and urgent necessity to equalize and to have the larger entity, the larger governmental body, pick up more and more of the responsibilities which were assigned to the provinces at a time when a broad program of social services was just beginning.

It is said that while the 1870's may be the first phase of concern of governments for the welfare of their people, we really got into a program of concern for people on the part of the government in the post-war period, and it is not surprising that many of our very important measures in reference to pensions, family allowances and the like stem from that period.

Perhaps the report of the Royal Commission on Dominion-Provincial Relations, referred to usually as the Rowell-Sirois report, is the finest that this country has ever seen. After studying the matter for many years all across the country this commission came out with the truism, I would call it, certainly its final recommendation and observation, which in 1940 was fundamentally sound and which I think should be looked at again with increasing respect in 1976 when we find that some of the advances which came as a result of their wisdom and their foresight are now in danger because the central government is backing down on its word and forgetting its essential role in providing services for all the people in all the provinces.

● (1710)

This, of course, is what the problem is today: the executive about which this House is most concerned, and indeed, the executive, strictly speaking, rests upon the consent of this House. We find that our executive is reneging on its commitments and forgetting its historical responsibilities.

I should like to quote the final paragraph of the Sirois report as follows:

> It has been the aim of the Commission to frame proposals which will, if implemented, place jurisdiction over the social services in the hands of the governments most likely to design and administer them, not merely with the greatest economy and the greatest technical efficiency, but with the regard for the social, cultural and religious outlook of the various regions of Canada, which is essential to genuine human welfare. The financial proposals have been designed to enable every province of Canada to rely on having sufficient revenue at its command . . . in years of adversity as in years of prosperity, to carry out the important functions entrusted to it.

We know that we are in a time of adversity. Many of us saw it coming from far off and said so, but it ill becomes any government which cares for its people to make its first move under austerity against the sick of the land.

One more aspect to which I should like to make reference was stimulated by the remarks of my colleague, the hon. member for Lambton-Kent (Mr. Holmes), yesterday. He pointed out, as have other hon. colleagues, that apart from the mathematical provisions of this bill and the diminution of the federal government's contribution we are, in many and closely related areas, shrinking the medical services made available to the people of Canada. He referred to what was happening with reference to research in the field of medicine, and it is a shocking thing that here is another area which has fallen the first victim—or perhaps the second—in this particularly unpleasant effort to bring about austerity on the backs of the poor and the weak.

I noted with great interest a very prestigious publication which came my way just the other day, the *Chemical and Engineering News*, a United States publication, and its points out that in the United States—not immune to financial problems—they are doing exactly the opposite to cutting back on funds for medical research and for scientific research generally. I shall quote from the issue of January 26 as follows:

> President Ford has proposed a $23.5 billion budget for federally funded R & D in fiscal year 1977—about 10% or $2.2 billion more than in fiscal 1976.

It points out that health research and development makes a gain. There has been an increase in the United States, and we are cutting back—freezing—this absolutely essential field, the field of medical research. We will never, never bring about a healthy society if we consider nothing but the curative aspect, diminish that and cut back funds for research.

Another most encouraging thing about the United States is that they have given special grants and special emphasis to pure research. This is a sensitive awareness of the needs of their people, which is lacking in those who do the planning in our present government for or with the Minister of National Health and Welfare. The national institutes of health will receive under the Ford budget a $185 million increase, bringing the total up to $2.165 million. This is what we should use as an example.

We should never allow such a measure as this to be passed through this parliament. I find myself 100 per cent behind the amendment of the hon. member for Broadview. This bill is wrong morally and wrong in terms of Confederation. We should consult our hearts and our consciences and vote for the amendment.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I think this bill is indicative of the lack of economic foresight which is prevalent with the government of the day. It virtually forced from the top down a program upon all the

provinces of Canada whether they felt they could afford it or not. The hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) pointed out the problems which some provinces have experienced in maintaining their percentage of the cost of this program.

This is not a program on which the government did not receive a great amount of advice. The government of New Brunswick which at that time was favourable to the Government of Canada, namely the Pierre Trudeau administration, hesitated and hesitated for years before it entered the program. The legislation was passed but it was not proclaimed. Why? Because even then the Robichaud administration in the province of New Brunswick recognized the possibility of the withdrawal of the vital financial participation of the Government of Canada. That program was not instituted in New Brunswick until Premier Hatfield became the premier of the province.

I should like to go back to the point in time when hospitalization was forced upon the provinces of Canada by a federal government, and I think of some of the conversations which took place in the little province of New Brunswick as it was being introduced. I remember the remark made by the then minister of finance, the Hon. D. D. Patterson, since unfortunately deceased, as he addressed the members of the government. He said the budget would be about $9 million for the balance of that year. It would be about $12 million required from the people of New Brunswick in the full fiscal year to follow, "but the thing I fear, and the thing about which I warn this House, is that in ten and not more than fifteen years the cost of hospitalization in the province of New Brunswick will exceed the entire budget which we will present to the House in this session." Let us bear that figure in mind.

The then minister of finance of New Brunswick predicted that hospitalization would cost more than the total budget for the fiscal year in which he was talking, and this would take only ten or maybe fifteen years. That astute minister of finance was in error because eight years from the date of the introduction of hospitalization the cost exceeded the budget for the year of which the minister was speaking. In other words, the Government of Canada was told what its bill would be for the program of hospitalization that it was introducing.

● (1720)

The government was told by a Liberal premier and his staff that the province of New Brunswick could not enter the program without the positive assurance of the federal government that help would be continuing for at least and not less than the formula presented. The provincial minister resisted until 1970, when it was too late, and the program was introduced by Premier Hatfield.

Are we to believe that the Government of Canada was so shortsighted that it did not undertake a study to predict the cost burden? It seems incredible that this should be so, but its members were either shortsighted or irresponsible. It is incumbent upon the Government of Canada to review the forceful position it took with respect to hospitalization and medicare.

Any provincial government which was at all hesitant about embarking upon these programs was mocked by those who represented the Government of Canada, or was threatened by it. The provincial governments were virtually forced by political pressures within their own provinces to accede to this great universal program. That being the case it is not proper for the Government of Canada to withdraw from the situation. Not only was this program to be universal but it was to be carried out under the regulations of the Government of Canada which did not trust the local administrations at the provincial level to formulate regulations and conditions under which they would operate and which would meet federal standards.

I grant that hypothetically this program should create equal medical treatment for everyone across Canada. It is a fact of politics, however, that you cannot legislate equality in little rural communities such as Humber-St. George's-St. Barbe or little rural communities in any other province, but hypothetically when the Liberal government brought in the legislation it was to be equal for everybody.

That government could not have been more wrong or more deceitful than when it led the urban and rural people of New Brunswick to believe they would be treated equally under the legislation. The program obviously had to escalate in cost because of the additional people brought under it. Everybody was obviously in a position to ask for a consulting physician, and every consulting physician could call in another. I do not blame the doctors for this, but the cost of the increased number of doctors and office calls precipitated by the program should have been perceived.

The Government of Canada should cut its suit to fit the cloth. It should have cut down on other expenditures, not health care. It might have considered having fewer office towers in Ottawa and Hull, fewer monuments such as that at Matane. It should have considered decentralizing and not doubling the number of employees used to achieve the same purpose. This is where cuts should have been made, not in the field of medical health. Why does the government not use the provinces as they deserve to be used in regard to health care?

I wonder how many members on your right, Mr. Speaker, have looked at the estimates to see how the money is being spent? The minister says in effect, "I am sorry, we cannot follow our own guidelines. We have to increase our expenditures by 18 per cent, but the provinces can cut back on hospitals and medicare. We do not care if they close hospitals, but we will not close them." The government has been irresponsible and has transferred political responsibility, which it will not accept, to the provinces. But they must accept responsibility, Mr. Speaker.

I feel extremely sorry for two premiers in this country, and I sympathize with the hon. member for Brant (Mr. Blackburn) who spoke about the closure of a hospital in his area. Something had to go when the Government of Canada failed to predict what it was doing to provincial pocketbooks by initiating this program,— and even worse what it was doing when it withdrew support for the program.

As a result of federal regulations in the field of health we have seen a massive transfer of federal responsibility from government to government. As was pointed out by the hon. member for Hillsborough (Mr. Macquarrie) it has become very clear that for welfare requirements the Government of Canada must provide some money, but it has become equally clear that it cannot forecast its require-

ments. This means the provinces cannot therefore forecast their needs. The federal government will just not supply those requirements if it finds itself pinched.

Let us examine what was going on prior to these programs being forced on the government. Provincial hospitals were operated in small communities at tremendous expense. They were staffed by very good doctors, but the cost of bringing them up to the standard demanded by the federal government put municipalities out of business. Responsibility moved them from the municipal to the provincial structure in New Brunswick but the cost of this move was immense. It was predictable. I submit that if a hospital is built in a community at one end of Prince Edward Island, the other end of the island is going to want a comparable hospital. This is what has happened to the spending program on health in Canada. There has been an escalation of costs because one community wants to be as well supplied as the other. This should have been planned and budgeted; there should be no shocking cutback.

The great problem with the federal program in the field of welfare is that it has acted as a leveller, a land roller. I am sure the Minister of Veterans Affairs (Mr. MacDonald) is familiar with what is done with a field of grain. You run the land roller over it to level the field; you simply push the top down, you do not bring the bottom up.

Through the lack of encouragement, and indeed the cutback in research programs by the government at the private level, it is as if the land roller has taken its toll in the fields of medicine and hospital care. It has knocked the top down and not brought the bottom up.

I have not heard all the speeches, Mr. Speaker, but have read most of them. The government has been remiss in the field of research, as has been pointed out many times, particularly in geriatrics, cancer, and the diseases of children. This is something on which the government should be spending money. If there is a hope of saving money without a detriment to health, it is in the field of research. The research should precede the cutback in expenditure. We should not have a cutback in expenditure for medical care and research.

● (1730)

We should have research in preventive medicine, but we do not have it to the same degree as other countries. This same problem has been experienced in the United Kingdom. The standard of care has definitely deteriorated as we have gone into this kind of program. We should be learning from the example of others. When we went into this program we should have seen that it was properly financed, projected, and carried out, so that there would not be a degeneration in the level of care as is promised by this kind of act.

It is time that the government looked at the future. It is time for it to begin to make recommendations, adopt policies, make proposals, and not just to draw the puckering string on the purse, but go into an in-depth study on how this can be done. What are the ways and means by which it can be done?

The hon. member for Hillsborough mentioned the Rowell-Sirois report. That report had a great many recommendations, some of which were ridiculous and others of which had an element of practicality. One thing the government ignored was that statement referred to by the hon. member for Hillsborough. It stated that the cost sharing should be done by the Government of Canada for those who needed help on the basis of the greatest possible economy. I submit that the governments on the site can make their own regulations, administer their own affairs, and accomplish the greatest economy. That is precisely what the Government of Canada should take a long hard look at now.

When one gets on a plane today to go home for a week end or to take a trip, he rarely gets on at any provincial capital without there being a rush of provincial civil servants going to Ottawa to negotiate for heaven knows what, but among them would be medicare, health care payments, DREE, ARDA and on and on.

I submit that all parties should look at the Rowell-Sirois report. We must begin to find ways and means to take people out of the air and put them at their desks. We must put the money were it is needed. The regulations must be made by the people who are going to spend it. Municipalities and provinces should be independent of the crushing responsibility of confirming legislation passed by the Government of Canada. A member of a provincial legislature today is little more than a rubber stamp, whether it be in the field of labour, transportation, health, education or insurance. He sits in a legislature and is told by a minister that they have to pass this bill or that bill to agree with the regulations of legislation of the Government of Canada.

If there is one reason more than any other why I wanted to be in this House it was in the hope that I might influence the House to restore the responsibility of administration to the field where it belongs, namely, the local level, to the greatest degree possible. The local government of a town, municipality or city is responsible immediately to the electors who are knowledgeable about how money is spent. In fact they have to raise a little of it themselves. At that point attention is paid to the spending of the dollar.

However, as long as the Government of Canada lays down the rules and regulations, and ties strings to its grants, whether it be for health or any other field, there will be a squandering of money which we cannot afford. That is now taking place in all these fields. I say we should follow the Rowell-Sirois report. Distribute the money to the provincial governments and let them administer themselves.

If the provinces did not have to buy civil servants plane tickets to come to Ottawa for negotiations, tens of millions of dollars would be left in the treasuries across this country. That would eliminate the necessity of the Government of Canada reducing the amount of money to be spent on medicare.

No government has introduced a more inexcusable or cruel bill than this. Very few could have been more predictable. One of the things the Government of Canada was told about when it was going into hospitalization and medicare was a report prepared by a group of people in the United States. They made a very careful study of the capability of that economy to sustain a program comparable to ours. The report stated there was a need for catastrophic assistance in the field of health, and a need for total payment for those below a certain level of income.

If the government of the United States adopts a total program such as the one presently operated in Canada, I doubt very much that the economy of that country could carry it. The department was made familiar with that report. It was passed on by provincial representatives. The Government of Canada mocked it. However, it is coming home to roost today that we are draining our resources by poor administration, poor regulation, and federal interference. It costs so much that the Government of Canada is now in a dither.

It is irresponsible to pass this responsibility back to the provinces after virtual compulsion to enter under federal terms. It is a retreat from a principle which they guaranteed everybody could sustain. We now find that the federal treasury, let alone the provincial treasuries, cannot sustain payments in the field of health across the board, to the degree that it will now cut back hospital, medical and research payments in the field of health. This is an irresponsible and inexcusable act by a party which sold the program to every province in Canada by compulsion and threat.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, yesterday my colleague, the hon. member for Brandon-Souris (Mr. Dinsdale), said that the federal government had taken another step backward in producing this bill. The member also said that he was saddened to see a once vigorous and creative government coasting to a conclusion in this way. I say to this House that the government has been coasting to a conclusion since that dark day in June, 1968, when it first set itself up in business.

I must agree that this has been a creative government. It has created a level of waste and inefficiency never before accomplished by a government of Canada. It has created the largest deficits ever known in our history and it has created an atmosphere of fear, suspicion, and despair all across our great nation. In my concern over what is happening to our country I am compelled to plead with the government to stop creating and start managing.

I am sure that my colleagues in the official opposition are just as confused about the government's motives in tabling this bill as I am. When the government hit us over the heads the other day with the estimates for the coming year, I was dumbfounded. Considering the fact that we are in an economic straitjacket imposed by a government which only a year ago launched a scurrilous attack on our own modest prices and incomes proposal, I fully expected to see the government table estimates roughly equal to those for the past year. What we have instead is an increase of 16 per cent over last year's estimates, with a further increase to come when the supplementary estimates are tabled later this year.

● (1740)

It is incomprehensible to me that the government could take for itself a slice of the public treasury equal to twice the limit it has allowed for the private sector, while at the same time introducing legislation which would reduce the level of hospital and medical care that we in the provinces have built up over the years, partly on the basis of a pledge of co-operation from the federal government.

The present medicare program was not a unilateral effort initiatied by the provinces in isolation. The provinces were sucked into the present arrangement by a federal government not known for honouring its pledges. However, in our concern for the welfare of our citizens we were compelled to enter into a cost-sharing arrangement with the federal government on pure faith. Now that we are deeply committed, with little or no turning room, the government tables this monstrous instrument of deceit.

The only party in this House which appears to like this bill is the NDP, those self-styled champions of the little people. If we are to believe all the propaganda they spread about themselves, they are the party that invented human kindness, brotherly love, and motherhood. They are having a field day with this bill because they think they will be able to use it against the governments of provinces they have not been able to get their hands on so far.

Mr. Nystrom: What about the red Tories?

Mr. Darling: Don't worry about red Tories, centre Tories and all the rest. We shall stick together, don't worry about that.

Some hon. Members: Hear, hear!

Mr. Darling: I am well aware how disenchanted hon. members to my left are with our choice of a new leader. They were praying it would be somebody else. Let them deny it if they wish.

Mr. Paproski: Right on!

Mr. Darling: We have heard a succession of those socialists make speeches on this question that lead one to believe that they have not even read the bill. I have heard member after member try to shift the blame for this proposed legislation from the federal government to the government of Ontario. I believe the New Democrats have the mistaken idea they can "con" the voters of Ontario into believing that the provincial government of Premier Davis drew up this legislation and somehow managed to table it in this House.

The NDP underestimate the intelligence of the people they are so anxious to govern. In taking part in the debate on this measure they are interested less in placing the blame for this cop-out at the door of the federal government than they are in trying to piece together a political platform for the next Ontario provincial election campaign. I can picture the NDP running about the province telling people that on their way to the polling booths they will have to walk over the bodies of those who could not obtain hospital beds. The fact is that Ontario has a medical care and hospital care record second to none, and the people know that. We in this province will continue to provide that high level of health care despite the efforts of the federal government to back out of a firm commitment.

If there is no room for present levels of provincial health care schemes on an equitable cost-sharing basis in the inflated estimates tabled a few days ago, I have to ask what, in the name of all that is holy, is going on in our country? No thinking man or woman would deny that the cost of health care has been rising over the years; but so

has the cost of everything else since the federal government came to power.

It has been pointed out a number of times in this debate that the cost of medicare has not increased as much, on a percentage basis, as the cost of most other services. In fact the cost of medical and hospital services has increased less than was expected, something which cannot be said of any other sector of the economy.

It has also been pointed out that the greatest rate of increased cost is connected with hospital services and, as everyone is aware, Ontario has set out to try to correct the situation without, however, permitting any decrease in the level of service. In its determination to maintain its record for consistent contradiction, the NDP acknowledges, on one hand, that hospital costs represent the largest element of increase in medicare. On the other hand it has in the past few weeks been engaging in a scurrilous, partisan attack against the government of Ontario for attempting to do something about this problem. That government is presently attempting to eliminate surplus hospital services while maintaining an adequate service. Like many of my hon. friends, I am sickened by this attempt on the part of a political party to create an election atmosphere by dangling non-existent corpses in front of the voters.

The federal government reneged on another pledge when this bill was tabled without warning.

Some hon. Members: Order!

Mr. Darling: Shall I carry on, Mr. Speaker?

Mr. Speaker: The hon. member will recognize that we have a visitor at the door. I suppose we should determine for what reason.

Royal Assent

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

● (1750)

[*Translation*]

And being returned:

Mr. Speaker informed the House that the Honourable Deputy Governor General had been pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

Bill C-41, An Act respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof.—Chapter No. 87.

Bill C-78, An Act to repeal An Act respecting the Halifax Relief Commission and to authorize the continuation of pensions, grants or allowances paid by the Halifax Relief Commission.—Chapter No. 88.

Mr. Speaker: It being six o'clock, the House stands adjourned until tomorrow at 2 p.m.

At 6.04 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, February 26, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

CANADIAN COASTGUARD

REQUEST FOR INQUIRY INTO RESPONSE OF THE "BARTLETT" TO THE CALL FOR ASSISTANCE OF THE FISHING BOAT "SAN JUAN"—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to move a motion on a matter of urgent and pressing necessity under the provisions of Standing Order 43. My motion is prompted by the most recent tragedy off the coast of Newfoundland in which two Canadian fishermen were lost, which once again highlights the inadequacies of present search and rescue procedures. My motion, for which I ask the unanimous consent of the House, is as follows: I move, seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall):

That the Minister of Transport (Mr. Lang) immediately order a special judicial inquiry into the circumstances surrounding the foundering of the fishing boat *San Juan* on February 23, 1976, with the loss of two lives, and the response of the Canadian Coastguard Ship *Bartlett* in relation thereto.

Mr. Speaker: Order, please. Such a motion can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

AFFIRMATION OF NON-RECOGNITION OF TERRITORIAL STATUS QUO IN EUROPE—MOTION UNDER S.O. 43

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, pursuant to the provisions of Standing Order 43 I request the unanimous consent of the House to present a motion concerning an urgent and important matter. I therefore move, seconded by the hon. member for York South (Mrs. Appolloni):

That in view of concerns expressed in Canada that the Final Act of the Conference on Security and Co-operation in Europe signed at Helsinki may be regarded as having given legal status to the incorporation of Estonia, Latvia and Lithuania into the Soviet Union, and in view of statements by the leaders of the Soviet Union that suggest that they so interpret the Final Act, it is moved that this House supports the Canadian government's position, as expressed in the House on December 2, 1975 by the Secretary of State for External Affairs (Mr. MacEachen), that the Final Act in no way confirms the territorial status quo in Europe, and that in particular the status of Estonia, Latvia and Lithuania as it is at present recognized by Canada has in no way been altered thereby.

Mr. Speaker: Order, please. Pursuant to the terms of Standing Order 43 this motion requires unanimous consent.

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

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CANADIAN NATIONAL RAILWAYS

PROPOSAL TO STOP JOB TRANSFERS FROM CAPREOL, ONTARIO—MOTION UNDER S.O. 43

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, pursuant to the provisions of Standing Order 43 I ask for the unanimous consent of the House to deal with a matter of urgent and pressing necessity. In view of the fact that the CNR has announced the transfer of 11 jobs in their accounting department in Capreol, Ontario, to Toronto in the next couple of months as part of a centralization program, and in view of the fact that this represents a serious blow to the town's economic health, and in view of the fact that, contrary to centralizing its various services, the corporation should be decentralizing into areas like Capreol, and in view of the fact that the CNR is supposedly the people's railway, I move, seconded by the hon. member for Cape Breton-East Richmond (Mr. Hogan):

That this House instruct the Minister of Transport (Mr. Lang) to approach the CNR with a view to having these job transfers halted.

Mr. Speaker: Order, please. Such a motion pursuant to Standing Order 43 can only be debated with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1410)

[*Translation*]

OLYMPIC GAMES

PROPOSED LOAN FROM BANK OF CANADA AT COST—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to discuss a matter of urgent and pressing necessity.

Since the Olympic Games which will be held in Montreal in 1976 concern all Canadians, since Canada as a whole will profit by the publicity and the international prestige of these games, since the cost of the games will reach about $1.2 billion while until now the participation of the federal government totals only $200 million, leaving a balance of $1 billion which Quebecers will have to pay because of these games, and since the federal government grants interest-free loans to foreign countries, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That, through the Bank of Canada, the federal government grant to the City of Montreal a loan covering the deficit incurred because of the games, at a rate of interest not superior to the administration cost and repayable in 50 years.

Mr. Speaker: The House has heard the motion of the hon. member. Pursuant to the provisions of Standing Order 43, the motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore, the motion cannot be put.

* * *

[*English*]

NATIONAL PARKS

SUGGESTED RESCINDING OF FEES FOR HISTORIC PARKS—MOTION UNDER S.O. 43

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I have a motion to propose under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the dramatic decline in the number of visitors to Lower Ft. Garry and other national historic parks in 1975 compared with previous years, I move, seconded by the hon. member for Cape Breton-The Sydneys (Mr. Muir):

That the Minister of Indian Affairs and Northern Development act immediately to rescind all regulations regarding the admittance fee structures to Ft. George, Ft. Langley, Fortress of Louisbourg and Lower Ft. Garry.

Mr. Speaker: Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

NATIONAL DEFENCE

PROPOSED ESTABLISHMENT OF CABINET COMMITTEE TO REVIEW PLAN TO CLOSE BASES—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, pursuant to Standing Order 43 I should like to propose a motion on a matter of some urgency to a large body of Canadians. In view of the fact that base closure or base consolidation programs being planned at the present time by the Department of National Defence could affect upwards of 7,000 civilian employees, and because approximately 42 per cent to 44 per cent of these people have grade ten education or less and have more than ten years service, in large part are veterans and are over 50 years of age, and because these people by government definition are technologically redundant, I move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That the House direct this government to establish a special committee of Cabinet and direct that committee to review any such plans prior to their submission to Cabinet, and where such a special committee finds that undue hardship will result from such plans, that they be empowered to refer such plans back to DND with instructions to find other solutions to the problems brought about by this government's failure to adequately fund the Canadian armed forces.

Mr. Speaker: Order, please. The said motion can only be debated with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

THE CANADIAN ECONOMY

REQUEST FOR MEASURE TO ENSURE EMPLOYMENT FOR YOUNG PEOPLE—MOTION UNDER S.O. 43

Mr. André Fortin (Lotbinière): Mr. Speaker, pursuant to the provisions of Standing Order 43, I ask the unanimous consent of the House to deal with a matter of urgent and pressing necessity.

There is no member in this House who knows the government's intentions regarding the increasing rate of unemployment, particularly among people within the 18-30 age range, which is very high in Canada. So I move, seconded by the hon. member for Villeneuve (Mr. Caouette):

That the government inform this House as soon as possible of their legislative intentions to check unemployment in order to give real hope and opportunity for work to all our young workers across Canada, so that we set ourselves to build this country rather than merely fight against inflation.

Mr. Speaker: Order, please. The House has heard the hon. member's motion. Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Since there is not unanimous consent, the motion cannot be put.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN THE GALLERY OF GENERAL DR. KARL SCHNELL

Mr. Speaker: Order, please. I am sure hon. members would want to join with me in calling attention to the presence in our gallery of a very distinguished visitor. I refer to a very distinguished German general, who is at the present time commander in chief of our allied forces in Central Europe, General Dr. Karl Schnell.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

EGGS—ALLEGED OVER-PRICING OF EGGS BY MARKETING AGENCY—JUSTIFICATION FOR HIGH ADMINISTRATIVE AND ADVERTISING BUDGET OF AGENCY

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Minister of Agriculture based on allegations contained in a brief by the Consumer Association of Canada to the Farm Products Marketing Council that Canadian consumers are paying anywhere from 15 cents to 19 cents more for a dozen eggs than can be justified. Does the minister intend to review the so-called P. S. Ross formula now in operation within CEMA so that both the consumers and farmers in Canada may receive optimum benefits of supply-management?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the reason the hearings are being held is that we asked for hearings and representations to be made about the price of eggs to find out the facts. I hope the hearings will bring out the facts. The National Farm Products Marketing Council is holding those hearings and will be holding them in several places in Canada. I think at this time it would not be proper for me to make a comment until those hearings are completed.

Mr. McGrath: Mr. Speaker, may I ask the minister if he has satisfied himself in respect of the $11 million administrative and promotional budget for CEMA, which is pushing the cost of eggs in Canada to the point where they are approximately 30 cents more per dozen in this country than in the United States, that what would appear to be a disproportionately high administrative cost factor is in fact justified.

Mr. Whelan: Mr. Speaker, as I said, if facts are brought out at the hearings which indicate this is not a proper formula to follow, it certainly will be changed because the National Farm Products Marketing Council, which is made up of producers, non-producers, consumers and labour, I am sure will do its job in a diligent manner.

REASON FOR IMPORTATION OF EGGS FROM UNITED STATES

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I ask the minister if he can explain to the House why it has been necessary for CEMA to import 7 million dozen United States eggs for the breaker trade in this country when the cost to the breaker trade has to be subsidized through CEMA and that additional cost is being passed on to the Canadian consumer?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the hon. member is trying to import the suggestion that eggs were never imported before; that is not true. The main reason eggs are being imported is that we have an agreement with the United States as to how many thousands of cases they can export into Canada. The program is there, and the main reason they had to do that is that the consumption of eggs went up 9 per cent in the month of January in Canada over and above any other January for which we have kept records. The final thing is that the eggs were such a good buy.

* * *

TRADE

FOOTWEAR—REQUEST MINISTER DISCUSS IMPORTS WITH ASIAN COUNTRIES AND POSSIBILITY OF ESTABLISHING QUOTAS

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Will the minister discuss with trade officials of the Asian countries he will visit next month our deep concern over the high level of imports into Canada of footwear from their countries where applicable.

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker, the question of the so-called preferred tariff structure and so on is on the agenda for discussion with the countries concerned.

Mr. Kempling: Mr. Speaker, will the minister discuss either voluntary or mandatory quotas of footwear with the various countries he will visit before our domestic industry is completely on its uppers.

Mr. Jamieson: Mr. Speaker, I am not quite sure just what form the discussions will take. Obviously I will convey our concern about the impact of the so-called cheap imports on the footwear industry in Canada. But of course, as I said in answer to a question a few days ago in the House, this is only one portion of the problem. I also have a meeting scheduled immediately upon my return with the footwear industry—I believe it is the Footwear Industry Council—in order to discuss other aspects of the problem as well.

Oral Questions

EXTERNAL AFFAIRS

POSSIBILITY OF SAFEGUARD AGREEMENT WITH COUNTRIES SUPPLYING NUCLEAR MATERIAL

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, yesterday it was, "Here we go" and I am tempted to say the question today is: "Where has he gone?" My question is for the Secretary of State for External Affairs. Can the minister inform the House whether or not a safeguard agreement has yet been reached with other nuclear supplier countries and, if it has not been reached, could he tell us when the government of Canada expects this to take place? Will he reconsider his position and arrange for a debate to take place in the House outlining Canada's position before the signing of such an agreement?

● (1420)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): It is true that there have been a number of meetings among the concerned countries, namely nuclear suppliers, in which the question of international standards has been discussed. What has emerged from this meeting has been that Canada, along with certain other countries, has made a unilateral declaration of the safeguard standards which it proposes to follow. These standards have been substantially outlined in the background paper which I tabled earlier. No international treaty was signed nor was any secret agreement of any kind reached. What has happened has been that a number of countries, including Canada, have made a unilateral declaration of the standards which they propose to apply. We hope that on review further countries will subscribe to these standards which we have been advocating in the world community.

PAKISTAN—APPLICATION OF CANADIAN SAFEGUARD STANDARDS TO ALL NUCLEAR EQUIPMENT AND SUPPLIES

Mr. Edward Broadbent (Oshawa-Whitby): With direct reference to those standards to which the minister has referred and following questions put to the Prime Minister yesterday, can the minister assure the House that the standards unilaterally imposed by Canada in terms of its sale of nuclear equipment and supplies will apply in the case of Pakistan, not only to nuclear equipment made in Canada and used in Pakistan but also to equipment that has been purchased by Pakistan from other countries, more specifically France?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): We are presently engaged in negotiations with Pakistan with the object in mind of increasing the level of safeguards on the reactor that is presently in Pakistan. These negotiations have not yet been completed. It is public knowledge that discussions have taken place between Pakistan and France on the provision by the latter of a reprocessing plant. That plant which is to be supplied by France, as I understand it, would be covered by safeguards negotiated between Pakistan and France as certified by the International Atomic Agency. We certainly cannot negotiate with Pakistan with respect to a facility provided by a third country. We are at present engaged in discussions with Pakistan with respect to this, what happens and under what conditions material coming out of the Canadian reactor may be subsequently used.

[Mr. Jamieson.]

Mr. Broadbent: I have a final supplementary question, Mr. Speaker. Once again the minister did not answer the question. Will he assure the House that as a precondition laid down by the government of Canada for sale of uranium to Pakistan, plutonium, which can be produced by the Canadian reactor, in Pakistan, could not be used by Pakistan on the French reprocessing equipment?

Mr. MacEachen: As I understand it, the plutonium itself would be the end product of a reprocessing facility supplied by France, if and when it goes into production. What is of concern to Canada of course is the spent fuel that comes out of the Canadian reactor which may subsequently be reprocessed in the facility provided by France. It is with respect to this spent fuel that we are presently negotiating with Pakistan, with which country we already have a safeguard provision with respect to the use of that spent fuel. We are attempting to arrange new safeguards or additional safeguards with respect to that spent fuel, but not for plutonium, which is a separate process.

* * *

[Translation]

RESEARCH

REQUEST NOT TO REDUCE SUBSIDIES

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I should like to put a question to the President of the Treasury Board. I wonder where he is now: he was there a moment ago. In his absence, I shall put it to the right hon. Prime Minister. Here comes the President of the Treasury Board: I shall therefore address my question to him, since it deals with university research assistance.

As there is pressing need for new knowledge to develop with efficiency our natural resources, renewed and renewable, and as scientific conferences are an indispensable source of knowledge to all our scientists, does the minister not feel that the new directive designed to limit our expenditures to a single scientist in a given discipline, at future conferences, constitutes a step back for Canada in the field of scientific research, which dealt a fatal blow to our researchers?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I am sorry, but I do not agree with the assumption of the hon. member. The Canadian government contributions to research have always been quite considerable in the last few years. Unfortunately, this year we have had to reduce our investments in that field, strictly because of budgetary restriction measures.

Mr. Gauthier (Roberval): Mr. Speaker, I have a supplementary.

I admit, as the minister said, that subsidies were made in years past, but does the minister not agree that, in spite of the act imposing restrictions, it is more pressing to give research the money it requires than to spend hundreds of millions of dollars to open new income tax offices?

Mr. Chrétien: Mr. Speaker, it is essential that we have an excellent tax levy system if we want to spend money later on.

* * *

[*English*]

FINANCE

EFFECT ON BALANCE OF PAYMENTS OF ANTI-INFLATION EXPORT LEVY—POSSIBLE DIVERSION OF EXPORT ORDERS TO SUBSIDIARIES OF MULTINATIONALS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. Faced as we are with international balance of payments deficits amounting to billions of dollars, would the minister indicate if he does not think that the anti-inflation export levy is acting as a deterrent to expanding our export sales abroad? Specifically, would he indicate if there is any evidence that multinational corporations active in Canada are diverting business to their subsidiaries in other lands to avoid the impact of the current export levy in Canada?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, with respect to the second part of the question, we have certainly seen no evidence of that to this point. With respect to the first part, I anticipate being able to make a statement before very long on the question of the export levy.

IMPACT OF ANTI-INFLATION REGULATIONS ON SMALL BUSINESSES

Mr. Sinclair Stevens (York-Simcoe): In view of the answer of the minister that he will be making a statement, would he also refer to the lot of the small businessman with respect to the export levy and the anti-inflation regulations themselves, bearing in mind the statement made by Mr. Biddell of the Anti-Inflation Board that he felt small business was being hurt by the impact of the anti-inflation regulations, and that if it was not to be hurt, he hoped the regulations would be amended forthwith?

Hon. Donald S. Macdonald (Minister of Finance): I have not seen that particular statement, but I remind the hon. gentleman that on the private sector side the mandatory aspect of the regulations applies only to firms with 500 or more employees unless they are in the construction trades. We hope that all firms would accord in their pricing and compensation policies with the standards we have set, but with respect to the mandatory provisions of the law prima facie, small business would not be affected by it.

* * *

● (1430)

FISHERIES

REASON FOR EXCLUSION OF DEEP-SEA TRAWLERS FROM GULF OF ST. LAWRENCE—POSSIBILITY OF COMPENSATION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Minister of State for Fisheries. In light of a report received today from the President of the Seafood Workers Union in Nova Scotia that the government plans to exclude deep-sea trawlers from fishing in the Gulf of St. Lawrence, which at present produces more than 50 per cent of the production processed by fish plants in Nova Scotia and New Brunswick, what compensation will be provided to the Canadian fishermen and fish plant workers as a result of this action? Will all foreign trawlers be restricted from fishing in the gulf? On what scientific research was such a move predicated? Finally, why has such a move been initiated against Canadian fishermen prior to any agreement being reached on a 200 mile economic zone?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, this is a rather lengthy question and I hope I can cover all the points. There will be discussions between government officials and representatives of the unions and the companies tomorrow, I understand. The problem is one of preserving the spawning stocks of red fish which are required to have another generation class growing up in the future. The other problem is that because of light ice conditions the fishery has gone on considerably longer than usual. The foreign vessels which are fishing in the gulf are there under the phase-out agreement and may not take red fish as a directed fishery. The 200-mile economic zone matter does not apply in this case.

CLOSING OF FISH PROCESSING PLANTS IN NOVA SCOTIA—GOVERNMENT ACTION TO AVOID

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, a supplementary question. At the present time, the Nova Scotia Port Bickerton Co-operative Fish Plant is operative under the management of the provincial government and the same government is looking for owners for the bankrupt fish processing plant at Petit de Grat Bridge previously owned by Richmond Fisheries, Ltd., and on which 1,000 residents of Isle Madam depend directly or indirectly for their livelihood and they are looking also for new operators for the Booth fisheries plant at Canso and the Swim Brothers plant at Lockeport. My question to the minister is, how many processing plants must be closed in Nova Scotia before this government takes some action which will be helpful in expanding rather than closing down this important primary industry?

Some hon. Members: Hear, hear!

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I would remind the hon. member that the management of the gulf has been ours for a certain number of years. The problem of the red fish stocks which are there now, these two years classes, is one which is completely familiar to the industry. I would also say to the hon. member that unless we manage our own gulf properly we will have more bankruptcies.

Oral Questions

TRANSPORT

RAILWAY SERVICE TO CHATEAUGUAY AND SOUTHWESTERN QUEBEC—GOVERNMENT ACTION TO IMPROVE

Mr. Ian Watson (Laprairie): Mr. Speaker, my question is to the Minister of Transport. It relates to the negative decision of the Canadian Transport Commission made public yesterday concerning an application for restoration of the passenger train service between Valleyfield, Chateauguay and Montreal. I want first to give notice that I intend to appeal to the Governor in Council for a modification of that decision on the grounds that the CTC erred in its appraisal of the facts submitted to it as well as in its conclusions. My question is this: would the minister undertake to review with his officials and the CTC possible initiatives whereby the existing rail facilities presently owned by the Penn Central can contribute to the solution of the atrocious transit problems affecting Chateauguay and southwestern Quebec residents.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I appreciated having the opportunity the other day to go over the issue of the use of this particular railway for a commuter type service with the municipal representatives of the Chateauguay area. While we ordinarily expect a significant involvement on the part of the municipality and province in commuter services, I will certainly follow up with the CTC the question of the future use of that track.

* * *

AIR CANADA

REQUEST FOR PROVISION TO ASSURE REFERENCE OF ANNUAL REPORTS TO COMMITTEE—APPOINTMENT OF AUDITOR GENERAL AS JOINT AUDITOR

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a question for the Minister of Transport. Having regard to the proposed changes in the Air Canada Act, could the minister tell the House, in the interests of achieving a more effective and ongoing mechanism of Air Canada's accountability to parliament, whether we could expect any changes in the Air Canada Act in this regard and, hopefully, some mechanism to ensure that the annual reports of Air Canada are referred to the Standing Committee on Transportation and Communications on a regular basis? Also, has the minister explored the possibility of appointing the auditor general as a joint auditor of this major Crown corporation?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we expect to have amendments to the Air Canada Act come before the House within a number of weeks and to have an opportunity at that time to look at the changes in detail. I had discussions with Air Canada about the possibility of looking at the annual report for 1974-75 which may be available at the same time. I shall be glad to make that a general practice. I would reserve comment on the question of the auditor general, however. Our general tendency has been to move more in the direction of giving broad guidelines to Air Canada, but then to let it run very much on the basis of the best possible business management.

[Mr. LeBlanc (Westmorland-Kent).]

Mr. Mazankowski: A supplementary question. May I ask the minister if he or his officials have had discussions with the auditor general with respect to looking at the possible advantages that could occur as a result of this joint auditorship of the auditor general and the private auditing firm?

Mr. Lang: No, I have not.

* * *

EXTERNAL AFFAIRS

SUGGESTION CANADA ASK PAKISTAN TO SIGN NUCLEAR NON-PROLIFERATION TREATY AND CANCEL PURCHASE OF REPROCESSING PLANT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Since the Canadian government and the government of Pakistan are discussing the sale of a nuclear reactor and in view of the fact that two things concern a great many people in Canada—first, the fact that Pakistan has not signed a non-proliferation treaty and second, that it has not cancelled its order to purchase a reprocessing plant as South Korea did—I want to ask the minister if the government can assure this House that the signing of the non-proliferation treaty and the cancellation of the contract to purchase a reprocessing plant will be conditions which Canada will impose before it will agree to sign any such agreement with Pakistan?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the hon. member's question is based upon a mistaken premise. We are not discussing the sale of a nuclear reactor with Pakistan; we are not discussing at all the sale of a reactor or any other facility.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, we are discussing with them the sale of nuclear technology and uranium; they already have a reactor. I am perfectly aware of that. I ask the minister the question with respect to these two things: is the Canadian government prepared to impose the two conditions I have suggested?

Mr. MacEachen: Mr. Speaker, the premise of the second question is also mistaken.

* * *

FISHERIES

CHANGES IN LOBSTER FISHING LICENCE POLICY—POSSIBILITY OF COMPENSATION FOR LOSS OF CAPITAL INVESTMENT

Mr. David MacDonald (Egmont): Mr. Speaker, my question is also for the Minister of State for Fisheries with respect to the announcement made some time late last year that a number of lobster fishermen who, in the eyes of the department, are moonlighting in the lobster fishery would be removed from the fishery. In view of the number of requests that have come from fisheries associations, as well as from provincial governments, that there be some form of compensation due to the heavy capital investment

that a number of these lobster fishermen would have, I wonder if any understanding has been reached with the provincial governments with respect to this matter or the fisheries associations that have made requests to the minister?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, it may be that the hon. member, in relating this matter to provincial governments, is speaking of a possible buy-back program that has been discussed with the provincial governments. This matter will come on course eventually as the moonlighter problem is solved. For those who have had the extra privilege of fishing for lobster while they had full time jobs, I believe it is the general consensus that they have had access to a fairly rewarding privilege, and that they should not be compensated.

CHANGES IN LOBSTER FISHING LICENCE POLICY—CLARIFICATION OF GUIDELINES

Mr. David MacDonald (Egmont): A supplementary question. I am sure that the minister will be hearing more from the various fishermen about this. With regard to those people who received letters about a month and a half ago about the loss of their fishing licences and the meeting the minister had with a number of hon. members concerning a second letter that was to go out as well as the clarification of the guidelines defining who in effect are moonlighters, can he tell the House what action has been taken on both those matters in order that the very serious situation affecting a number of fishermen can be alleviated?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I have approved the content of the second letter which is to be sent out. The criteria have also been clarified and appeal boards are being set up. In some cases they are already looking at the appeals, so the procedure is proceeding rather well at the moment.

* * *

● (1440)

LABOUR CONDITIONS

CONTRACT NEGOTIATIONS OF RAILWAY EMPLOYEES—POSSIBILITY GUIDANCE OF ANTI-INFLATION BOARD SOUGHT ON MAXIMUM PERMISSIBLE SETTLEMENT

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Paproski: Mr. Speaker, I did not bring my whip with me today, but I will bring it every day after today.

My question is addressed to the Minister of Labour, and has to do with the statement that rail workers are urging conciliation commissioner Emmett Hall to disregard federal inflation guidelines. Has the commissioner asked for the clarification of the Anti-Inflation Board on just what would be the maximum permissible settlement?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I congratulate the hon. member on his new appointment.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): To answer his question; no.

CONTRACT NEGOTIATIONS OF RAILWAY EMPLOYEES—GOVERNMENT POSITION ON ESSENTIALITY OF RAILWAY SERVICE

Mr. Steven E. Paproski (Edmonton Centre): A supplementary question, Mr. Speaker. Has the government taken a position with regard to the essentiality of rail service and, if so, indicated that position to those involved in this dispute?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, they are certainly aware that the government considers rail service very important indeed in Canada.

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ADMINISTRATION OF JUSTICE

COST OF ISSUING PERMITS FOR GUNS—GOVERNMENT POSITION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a question to the Minister of Justice, the answer to which may assist us in the second reading debate on the peace and security bill. As sportsmen of Canada assess that about six million guns will be affected by the legislation, has the minister assessed how many public servants, including police officers, will be needed to issue permits for restricted guns and licences for all guns, and what the cost in this regard will be to the Canadian public?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, there has been a careful analysis, but it is impossible to say what the result will be and how many people will be involved because this will depend to some extent on special arrangements made in each province. Naturally, we hope to keep the administrative and licensing staff to a minimum, but, at the same time, make licensing personnel available in communities throughout Canada so that there will not be difficulty in obtaining licences. I anticipate that we shall use provincial and federal police forces and, hopefully, with the co-operation of some provinces, wildlife officers. It is impossible for me to be specific about these matters until these arrangements have been entered into specifically and the provisions are proclaimed in each province.

Mr. Woolliams: A supplementary question, Mr. Speaker. The police associations of Canada having said in their brief that there would not be enough police personnel to handle the program—and I do not think the Minister of Justice would seriously consider transferring the cost of the program to the provinces—may I ask if he has considered how many people will be needed for the program and how the

increased expenditure will fit into the anti-inflation program?

Mr. Basford: Mr. Speaker, the hon. member will recall that the Prime Minister in his December statement indicated that law enforcement would be given a special place in the expenditures of the government. Secondly, the legislation provides for a licensing fee and a licensing scheme. It is designed to be self-financing or self-supporting. The bill provides that the regulatory power may divide the licence fee between provincial and federal governments, depending on the work each level of government does in this field. With regard to the number of police officers available, I refer the hon. member, for example, to the statement made yesterday by the attorney general of Ontario, who is responsible for the police in the province, indicating his full support for the scheme.

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INQUIRY OF THE MINISTRY

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, my question is for the Minister of Agriculture. Would the minister consider changing the name of the Canadian Egg Marketing Association, known as CEMA, so that those in this House who cannot properly pronounce the name of the member for Vancouver-Kingsway will not continue to mistake her for an egg.

Some hon. Members: Hear, hear!

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ANTI-INFLATION APPEAL TRIBUNAL

DESIGNATION OF DEPUTY ATTORNEY GENERAL AS LEGAL COUNSEL—POSSIBILITY OF CONFLICT OF INTEREST

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is for the Minister of Justice and relates to the rules of procedure in an appeal to the anti-inflation tribunal from an order of the administrator. Since the legal counsel to the administrator is designated to be the deputy attorney general of Canada, under the statute, is the minister prepared to assure the House that the legal contest which could develop between the appellant and respondent will be conducted on an impartial basis? More specifically, can the minister assure the House that the opponent of a corporation in an appeal tribunal hearing will not be more than the administrator and that the corporation will not be doing battle with the whole legal force and might of the federal government, which, of course, has a vested interest in enforcing the program? Really, is there not a conflict of interest contained in the regulations or statute?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the hon. member asks a most technical question.

Mr. Baker (Grenville-Carleton): With respect, it is not technical at all.

Mr. Basford: I should like to review the wording of the regulations to which the hon. member refers. I have no hesitation in assuring him that any conflict of the kind the hon. member suggests I will undertake to avoid.

* * *

TRANSPORT

REQUEST FOR ASSURANCE OF FULL USE OF EAST COAST PORTS

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is directed to the Minister of Transport. In the interests of sharing whatever transportation dollars can be made available among the Canadians, would the minister and the government consider measures which will keep goods moving into or out of Canada moving as much as possible through Canadian transportation systems, not United States ports?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I assure the hon. member that we aim to have good Canadian port facilities well used in the trans-shipment of Canadian goods.

Mr. McCleave: A supplementary question, Mr. Speaker. In the somewhat Draconian measures which will be presented and which will affect east coast ports, will there also be included counter-measures, to make certain that goods moving into or out of this country move through our east coast ports rather than through New York, Baltimore, Boston, etc.?

Mr. Lang: Mr. Speaker, I do not intend to be party to any Draconian measures.

FREIGHT RATES—POSSIBILITY OF CHANGES IN LEGISLATION TO ACCOMPLISH CHANGES IN RATE STRUCTURE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I direct a supplementary question to the Minister of Transport? In changing the freight rate structure, does the minister contemplate amendments to the freight rates legislation, in order to achieve the general, broad policy the government has set forth?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, yes, several legislative changes are necessary to accomplish the changes in rates anticipated.

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AIRPORTS

INCREASED LANDING CHARGES FOR LIGHT AIRCRAFT—REQUEST FOR CLARIFICATION OF BASIS FOR INCREASE

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question, also, is addressed to the Minister of Transport. Is the minister aware that the proposed new landing charges at airports for light aircraft call for increases ranging from 30 cents to $1.90 an hour? This represents an increase in levies of more than 500 per cent which, by my reckoning, somewhat exceeds what the Anti-Inflation Board will allow. Is the minister aware that these increases will reduce if not altogether eliminate pilot

training in this country? Is the minister satisfied that we have an over-abundance of pilots?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am told that the fee increase over-all, if one does not isolate one particular aspect, represents an increase in the order of 5 per cent. Therefore, it is a modest change in a fee which has not been changed for a long time.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, in light of the minister's answer, I think my supplementary question is very much in order. Will the minister tell the House, perhaps by making a statement on motions, the basis on which the new rates have been established? Plan one, or phase one, is now in effect, and calls for increases from 30 cents and 60 cents, to $1.30 for the last landing, and so on. I do not see how the increase is 5 per cent. Will the minister explain, also, what phase two and phase three mean?

Mr. Lang: Mr. Speaker, the hon. member surprises me. Hon. members opposite have been rather critical at times of government spending balances; yet here is a situation where, in a particular area, it seemed reasonable for those who use the service to pay a greater proportion of the cost of the service rather than letting the burden fall on the general taxpayer who is not making use of that service. That is a general principle you will see applied in many more places.

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ENERGY

SARNIA—MONTREAL PIPELINE—GOVERNMENT EFFORTS TO ASSURE SUPPLY OF OIL

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. A news story appearing yesterday indicated that oil was expected to flow into the Sarnia-Montreal portion of the pipeline within five days. Will the minister explain why no oil has been offered, why the pipeline cannot purchase any, and advise the House what efforts he is bending to getting the six refinery consortium in Montreal to make nominations so that oil will flow for May delivery?

● (1450)

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): The story which appeared in the press was in error in a number of important particulars. Oil will not be flowing until some time in May. Activities right now are being devoted to completing the line; the National Energy Board has not yet given it formal approval. We are also working out with the various refineries a system to handle tariffs on the through-put to Montreal.

Mr. Lambert (Edmonton West): Would the minister first advise us how he proposes to see that some two million barrels of oil will come down at the rate of 40,000 barrels a day to fill the pipeline when no nominations have been made and nobody will buy the oil and, second, whether he feels that the Montreal refineries are too comfortable on the nipple of the ample breast of federal subsidies to balance off sources?

Mr. Gillespie: I am overwhelmed by the eloquence of the question. Discussions are under way at the present time.

* * *

TRANSPORT

GOVERNMENT MEASURES TO AVOID FISHING BOAT DISASTERS ON WEST COAST

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of Transport. I wrote to him over a month ago expressing the concern felt by myself and fishermen on the West Coast in connection with the herring boat fishing disasters. The season is due to start on Sunday. Apart from the usual acknowledgement of the receipt of my letter, I have received no reply. Can the minister inform the House what he has done to prevent a recurrence of last spring's disasters when 19 boats went down with heavy loss of life?

Hon. Otto E. Lang (Minister of Transport): The hon. member from that area has been pressing me very hard for consideration of safety measures. I have told her on a number of occasions that we shall be trying to do a variety of things to assist. We are arranging a meeting in short order in an attempt to assist in introducing the best possible techniques to deal with these risks, including some improvement in communications. There has been some improvement in the equipment in the area. We are trying to make sure that as far as possible we have, on our side, done what can be done. A good deal depends, of course, on the precautions which are taken by the fishermen themselves. We can only be helpful to the point of trying to ensure that they are aware of the necessary precautions and take as many as possible.

Mr. McKinnon: I received a reply from the Minister of National Defence who merely listed the equipment available on the west coast and there is no change from last year. Can the minister tell us specifically whether he feels the recommendations of the West Coast Fishing Vessels Casualties Inquiry which the Department of Transport convened, have been carried out? In particular, has anything been done to ensure the co-ordination and positioning of defence and rescue services?

Mr. Lang: Well, Mr. Speaker, work has been going on in an attempt to ensure that as many of the recommendations as possible are carried out.

RAPID TRANSIT SYSTEM FOR TORONTO—DATE OF DECISION ON GOVERNMENT PLANS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Minister of Transport. I have not given him notice but I am sure he is familiar with the subject. In the light of the promises made by the Prime Minister that the federal government would extend financial support for the development of urban transportation systems, and in view of cutbacks in government spending on the development of such a transport system in metro Toronto which are likely to destroy the whole plan for the extension of rapid transit lines in east and west Toronto,

has the government decided to postpone indefinitely its promised contribution to capital or operational costs of rapid transit in the Toronto area and elsewhere, and, if so, will it reconsider this decision?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, we have not taken such a decision. We did some time ago indicate we were willing to provide a special type of assistance for commuter programs over a five-year period. That leaves out a significant piece of action in relation to urban transit generally. We are considering the approach we should take to that situation and I hope it will not be very many weeks before we can announce definitively what we believe we can and should do in that area.

Mr. Brewin: Will the minister and the cabinet bear in mind when making a decision on this matter, that the conservation of fossil fuels is more dependent on the extension of rapid transit than almost any other form of fuel saving?

Mr. Lang: We always take the energy issue, the cost issue and other issues into consideration when determining the appropriate course of action.

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[*Translation*]

BILINGUALISM

DATE OF DECISION ON RECOMMENDATIONS OF ADVISORY COUNCIL ON BILINGUAL DISTRICTS

Mr. Gilbert Parent (St. Catharines): Mr. Speaker, I should like to put a question to the President of Treasury Board.

[*English*]

Since the hon. gentleman's department is in charge of the implementation of the policy on biligualism, and in view of the fact that the bilingual advisory board's report outlining possible areas to be designated as bilingual districts in Canada was tabled in the House as long ago as November, 1975, is there any indication when the minister or the cabinet intend to make a decision and subsequent announcement with regard to the recommendation of the advisory board?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the report has been received three months ago. We are now considering it, but no decision has yet been taken about the date when we will be able to determine by order in council which districts will be bilingual in Canada. As soon as we are ready to say so, we will advise the hon. member in the House.

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COMMUNICATIONS

INQUIRY IF MINISTER MET WITH QUEBEC MINISTER CONCERNING CABLEVISION IN RIMOUSKI

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like to direct my question to the Minister of Communications. During the latest conference of ministers of communications, the province of Quebec deemed it advisable to elect a different course than the one which the nine other provincial governments adopted. Considering the situation which now prevails in my own area of Rimouski with respect to cable TV, can the minister advise the House whether she recently held discussions with her Quebec counterpart? If so, can she tell the House what was the essence of the discussions?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I recently met with my Quebec counterpart. We discussed all the problems pertaining to cable TV and to the whole sector within the jurisdiction of our two departments. We also studied the Rimouski problem but I would like to remind the hon. member that the only reason why there is a problem in Rimouski is that the Quebec Public Service Commission has chosen to disregard a federal agency's regulation.

* * *

[*English*]

GOVERNMENT ADMINISTRATION

ALLEGED DISCREPANCY BETWEEN ITEM IN ESTIMATES AND IN PAMPHLET "HOW YOUR TAX DOLLAR IS SPENT"

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the President of Treasury Board. I should like to ask him to clear up an apparent discrepancy between the estimates blue book and the guide "How Your Tax Dollar is Spent". Can the minister explain why this guide reports that the estimates of the Department of Energy, Mines and Resources have provided for increased payments under the oil price subsidy program while the blue book says there has been a $250 million decrease in expenditure on that same program?

Mr. Speaker: Order. I am sure the hon. member realizes that this is a question which ought to be put to the minister when he is before the standing committee.

* * *

HEALTH

RED FOOD DYES—SUGGESTED BANNING UNTIL AGREEMENT REACHED CONCERNING DANGER TO HEALTH

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the fact that the government does not seem at this point to be able to clear up the confusion as to whether or not red food dyes are harmful to the human system, would the minister not agree that there should be a ban on the use of all red food dyes until there is agreement as to whether or not a danger to human life exists?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): No, Mr. Speaker.

[*English*]

SAFETY OF GREEN DYE ADMINISTERED TO SEALS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): A question to the same minister, or to the Minister of Fisheries. In view of the fact that the Greenpeace organization has indicated that it will interfere with the seal hunt by administering a green dye to the bodies of the seals, would either the minister of health or the Minister of Fisheries adopt my suggestion that an analysis should be made of that particular green dye to see whether it really harms the bodies of the seals? If this is proven to be the case, does the government not feel that the Greenpeace organization ought to be brought to trial?

Hon. Marc Lalonde (Minister of National Health and Welfare): I think the hon. member can keep on eating seals.

Some hon. Members: Oh, oh!

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LABOUR CONDITIONS

REASON FOR REFUSAL TO PERMIT AIR LINE EMPLOYEES TO PROSECUTE AIR CANADA

Mr. Elmer M. MacKay (Central Nova): May I direct my question to the Minister of Labour, Mr. Speaker? It arises from the fact that the Minister of Labour has refused an application for consent to prosecute pursuant to Section 194, part V of the Canada Labour Code by the Canadian Air Line Employees Association regarding alleged improper labour practices by representatives of Air Canada. Can the minister say briefly why he refused and what criteria he used for witholding the granting of consent pursuant to section 194, part V, of the Canada Labour Code?

● (1500)

Hon. John C. Munro (Minister of Labour): Mr. Speaker, in this particular case I think the hon. member will agree that I should accept the independent legal advice of the law officers of the Crown regarding the adequacy of the grounds for this application. I shall be pleased to give the hon. member further details, perhaps tomorrow, but I do believe there is other recourse for the union in question in terms of the Canada Labour Relations Board.

ROUTINE PROCEEDINGS

[*Translation*]

NATIONAL SECURITY

PETITION PRESENTED BY MR. LAMBERT (BELLECHASSE)

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the 24th report of the Clerk of Petitions stating that he has examined the petition laid upon the table by the hon. member for Bellechasse (Mr. Lambert) and finds that it meets the requirements of Standing Orders as to form.

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[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, on a point of order, might I ask the government House leader the business for the balance of this week and perhaps next week, and as far ahead as he can see.

Mr. Sharp: First of all, Mr. Speaker, I should like to congratulate my hon. friend on his elevation.

Some hon. Members: Hear, hear!

Mr. Sharp: I should just like to offer him some advice, and that is in most respects to follow his predecessor in office—not in all respects but in most respects.

I should like to designate the remaining allotted days for the period ending March 26, pursuant to Standing Order 58(5), as follows: Monday, March 1; Friday, March 12; Tuesday, March 16; Friday, March 19; Tuesday, March 23; Wednesday, March 24; and Thursday, March 25.

Today, as first order of business, it has been agreed among the House leaders that we will deal with all stages of Bill C-85, including consideration in committee of the whole rather than the usual reference to the Standing Committee on Labour, Manpower and Immigration. When that bill has been disposed of, we will resume consideration of second reading of Bill C-68.

May I also indicate the date for the beginning of the debate on Bill C-83, which will be the first of the criminal law amendment bills to be called, the other being Bill C-84. This is a complicated bill and the government has been prepared to let some days elapse between first and second reading. Originally we felt that a week might have been an appropriate interval. After discussion among the House leaders, we have agreed to a few additional days. It is therefore my intention to call Bill C-83 for second reading on Monday, March 8.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I want to thank the hon. gentleman for his kindness and also for his advice, which I will follow to the degree suggested by the hon. gentleman. Might I ask him one further question with respect to the consideration by the House of Bills C-83 and C-84. The Department of the Solicitor General and the Department of Justice have a number of statistical analyses relating to crime, and I am sure there are a number of studies being undertaken with respect to various kinds of crime. These reports would be very helpful to members of the House as well as to members of the public as the debate proceeds.

It is difficult to know how long that debate may go, but I think it would be important to members of parliament as well as members of the public that the government House leader and the ministers I have mentioned consider the tabling of those reports, having regard to the extent of their availability. There are certain issues involved on

which a lot of work must be done by the public and by members of parliament. As I say, I think it would be facilitating the work in the House as well as the consideration of the public if the government were prepared to give this matter consideration.

Mr. Basford: Mr. Speaker, on the point of order, I appreciate the hon. member's remarks. We have not prepared a special study or compilation for publication, but we will go through the material that we have and see that we table everything we possibly can. I did intend, as did the Solicitor General, putting in as much information as possible of an even more detailed nature for all members of the Standing Committee on Justice and Legal Affairs for the actual clause by clause study of the bill.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I join with the government House leader in extending congratulations to my hon. friend, the hon. member for Grenville-Carleton, on his promotion. If the hon. member is looking for advice, I should be glad to offer it to him, but rather than giving it to him here on the floor I would be happy to give it to him behind the curtains or some day out on Commanche Drive.

Since I know what is coming in a moment or two I do not need to ask my usual Thursday question, the one I have been asking every Thursday since last October, so may I ask the government House leader whether he can tell us when we are going to deal with a bill which is of interest to all members of the House, Bill C-81, which goes part way toward freezing the incomes of members of parliament at the level of our income in 1975?

Mr. Sharp: Mr. Speaker, I have given some consideration to this measure, but when I looked at the other bills that were before us it did not seem to me that I could give it that much priority as to assign it a place on the agenda yet. At any rate, I do not think any of us is getting the extra money that the bill would deny us.

Mr. Knowles (Winnipeg North Centre): On that point, Mr. Speaker, if the bill is going to be delayed, since the cheques that we are now receiving have frozen one element of our pay and not the other, would the government indicate what its intention is with respect to our proposed amendment to freeze our entire income?

Mr. Sharp: Mr. Speaker, when the bill is introduced for debate, that indication, of course, will be given.

Mr. Holmes: Mr. Speaker, I rise on a point of order. I do not use this privilege very often, but I am quite concerned. My point of order relates to the inappropriate answer given in response to a follow-up to a question I raised in this House yesterday. To refresh Your Honour's memory my question was to the Minister of State for Urban Affairs and in his absence I directed it to the Acting Prime Minister. It relates to the TV program on Tuesday evening about the terrible situation in Moosonee.

I asked, very simply, that the Minister of State for Urban Affairs meet immediately with the appropriate minister in the province of Ontario to work out an agreement so that the facilities available there could be used by these native people. We know that the native people in that particular area are living in squalor. We know that in terms of educational facilities students must travel literally hundreds of miles. My point of order is simply this. In view of the answer given by the parliamentary secretary, that a response would be made to me, and in view of the seriousness of the situation, I feel at this period in time that the information should be available by now.

[Mr. Baker (Grenville-Carleton).]

Mr. Speaker: Order, please.

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COMMITTEES OF THE HOUSE

TRANSPORT AND COMMUNICATIONS

Eleventh report of Standing Committee on Transport and Communications—Mr. Campbell.

[*Translation*]

EMPLOYER-EMPLOYEE RELATIONS IN THE PUBLIC SERVICE

Sixth report in both official languages of standing committee on employer-employee relations in the public service—Mr. Herbert (Vaudreuil)

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

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[*English*]

VETERANS AFFAIRS

STATEMENT BY MINISTER ON COMMITTEE REPORT RESPECTING EX-PRISONERS OF WAR

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, since the Standing Committee on Veterans Affairs reported its recommendations to the House on the report of a study on European prisoners of war, hon. members and many veterans have been eagerly waiting for an announcement of the government's reaction to the committee report. It is, therefore, with considerable pleasure that I am able to inform the House that the government intends to introduce a bill to provide special compensation for former prisoners of war.

● (1510)

Some hon. Members: Hear, hear!

Mr. MacDonald (Cardigan): The proposed bill will provide additional benefits for those who were prisoners of war of the Japanese and who suffered so severely at the hands of their captors. The malnutrition, personal indignities and the harsh conditions of imprisonment left effects and scars on these gallant people which were not always identifiable.

It will also provide for similar compensation, but to a lesser degree and on a sliding scale relating to the period of time spent as a prisoner of war, to those who were captured in other theatres of war during or after World War II. While it is intended, for example, that those who were captured at Dieppe in August, 1942, will receive less than the former prisoners of war of the Japanese, they will receive greater benefits than those who became prisoners

of war later in the war. This compensation which will be of benefit to former prisoners of war and their families will be indexed to keep pace with changes in the consumer price index.

In making this announcement, I must again pay special tribute to the lead taken by the Standing Committee on Veterans Affairs which, in its usual non-partisan manner, heard evidence and made the report on which the government's decision is based.

Some hon. Members: Hear, hear!

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, I suppose I should first say that all good things come to those who wait. We have certainly waited for some time for this statement by the minister. Let me say at the outset that we appreciate the advance notice given by the minister of the contents of his statement, as well as the statement itself which reached my office this morning. That advance notice came in the form of very careful discussions with the minister in his office and critics from the opposition parties in this House. I think this ability of the minister to speak freely with us indicates the mutual understanding and respect we have for one another, as well as the non-partisan nature of the Standing Committee on Veterans Affairs.

The one sentence or phrase from the statement, that "many veterans have been eagerly waiting for an announcement" is an understatement of considerable magnitude. The minister might be considered a conservative, with a small "c", in putting it that way. The constant prodding by members of the opposition parties, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), the hon. member for Winnipeg North Centre (Mr. Knowles) and, if I may not be too immodest, myself has been aimed at the minister to bring forth a statement or the legislation.

The prodding has not been aimed so much at the minister, because we understand his concern about this problem, but more especially at his cabinet colleagues who the minister had a great deal of difficulty convincing as to the necessity of bringing in something for these prisoners of war. I make one notable exception, his colleague, the Minister of National Revenue (Mr. Cullen), who was a member of the committee on veterans affairs and was instrumental in bringing about some consensus which enabled the committee to bring in the report on which this statement is based.

We in the opposition will certainly expedite the passage of the bill which will implement the proposals in this statement. In fact, I think we are willing to do that in a matter of hours when the legislation is brought forward.

An hon. Member: Minutes.

Mr. Knowles (Norfolk-Haldimand): I have discussed this matter with some of my colleagues on this side and I am almost certain I can give this assurance to the minister. I think we are right in asking how soon the legislation will be prepared and introduced to the House. The veterans referred to in the statement are in advancing years, and because of that the grim reaper is taking his toll year by year—as a matter of fact, month by month—with increasing frequency. While we are setting aside "X" millions of dollars to finance this program, I think it will be a decreasing amount year by year as these men pass on to their reward. This is something that should be kept in mind when we talk about the number of dollars the program is going to cost the government.

I do not wish to take too long, but I think I should point out that the report on which this statement is based had three main proposals: an adjustment to pensions received by Hong Kong veterans, compensation to prisoners of war other than Hong Kong veterans, and an adjustment to widows' pensions whose veteran spouses received less than 48 per cent.

It is obvious from the statement that it takes into consideration compensation to prisoners of war but omits widows' pensions. We have agreed to pass the bill, but I do not think we need gag ourselves by not asking the minister at some time down the line to keep this in mind. The Minister of National Revenue indicated that they had flagged this particular recommendation of the report, which indicates to me that they had it in mind and I sincerely hope that is the case. The minister explained earlier the reasons for this omission. We accept those and will not press the point now. When another budget comes down and we are again reviewing government spending, I give the minister notice that we will be asking more questions about this matter.

Again I say to the minister, through you, Mr. Speaker, that we welcome this statement and will do everything in our power to expedite passage of the legislation which we hope will come in at the earliest possible moment.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as my first word I should like to thank the minister for the tribute he paid in his statement today to the members of the Standing Committee on Veterans Affairs. It may be that some of us have been doing the prodding in public about this matter, most of us being on this side of the House, but I know I speak for every member on the Standing Committee on Veterans Affairs when I say that we have been unanimous in our anxiety to get this legislation, and we are all delighted the minister has finally got cabinet approval and has been able to indicate that the legislation will be brought in.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Coming as I do from the city of Winnipeg, I know a good many Canadian veterans who were at Hong Kong, and a good many who were at Dieppe as well as in other prison camps in Europe. That experience enables me to confirm that those who suffered the experience of being prisoners of war in Hong Kong, after Dieppe and at other prison camps, went through something for which they should have been compensated long, long ago. It is too bad we have had to wait this long, but now that the legislation has been announced we welcome it.

I join with my namesake who spoke just now in saying that once this bill is brought in the minister will be surprised at how little time it will take to get through. I hope it has an effective date with some retroactivity to cover all the time that these veterans have had to wait. In

the main, since we are led to believe that the pension proposals for Canadian veterans who were former prisoners of war will be more or less those that were set out in the seventh report of the Standing Committee on Veterans Affairs, we welcome the proposed legislation and we shall give it our full support.

Like the hon. member for Norfolk-Haldimand (Mr. Knowles), I regret that there are certain things that were in the report which have not been mentioned today by the minister. One of those is any reference to escapees and evaders. In our report we expressed the hope that this legislation would cover them as well. I believe we have at least one member in this House who would be covered by that provision. I am sorry that is not included in the minister's statement.

● (1520)

I also express my very deep regret that there is no reference in the statement to anything being done for widows of veterans generally, having in mind widows of all veterans who are on disability pensions. On at least three occasions in recent years the Standing Committee on Veterans Affairs has recommended that the Pension Act be amended so that widows of veterans where the veteran's pension was 48 per cent or less be given a pro rata pension as of right. This was also strongly recommended some years ago in the Woods report. I would hope that some time this will be implemented. As it is not mentioned in the minister's statement, I suppose we will not see it in the bill, but I join with my colleague who spoke before me when he said that down the road we shall keep the pressure on for this improvement in respect of the widows of veterans who were on disability pensions.

In the meantime, we are glad that this long, long wait is over. I refer particularly to the time that has elapsed since the committee made its report on June 12, 1975. If the minister can just get this bill on the order paper in a very few days, we will have it passed in almost no time at all.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, I am very glad to join the previous speakers to extend my sincere thanks to the minister who quickly sent us a copy of the statement on the government's reaction to the report from a study on prisoners of war.

Moreover, I am very glad to see that the government at last decided to implement the recommendations of the Standing Committee on Veterans Affairs with the firm intention of putting forward a bill giving deserved compensation to prisoners of war. There is no doubt, Mr. Speaker, that the prisoners of war suffered greatly by their captivity and that, in my humble opinion, we have a responsibility towards these prisoners, as most of them grew old very quickly, or are handicapped because of malnutrition or of the cruelties they endured.

I hope, Mr. Speaker, that the government will consider the distress of the widows, of the orphans and of the families of these prisoners because, in a way, they also had their share of distress and misgivings.

Once again, I agree with the minister's statement considering that the bill which he intends to introduce shortly will result in reducing the hardships of those prisoners. I hope the government will keep worrying about those prisoners who left a part of themselves in enemy prisons. Somebody said a moment ago that everything comes to him who waits. I would add that it is never too late to be right. So once again I thank the minister and I hope that this bill, as the member for Winnipeg North Centre (Mr. Knowles) said so well, will not raise too many objections and will be passed as soon as possible.

[*English*]

Mr. Speaker: Order, please. Under the Standing Order there is discretion to allow questions, or to limit them as the Chair sees fit. The statement made today by the minister proposes the introduction of legislation which has been anticipated, and obviously questioning should be carried out when the legislation is presented. Also, there does not seem to be much disagreement; therefore, I intend severely to limit the questioning.

Since I realize two or three members have waited here with the intention of asking questions, I think the purpose would be served if each member were allowed to put one question. I will recognize the hon. member for Edmonton West (Mr. Lambert), the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), the hon. member for Winnipeg North Centre (Mr. Knowles), and the hon. member for Hamilton Mountain (Mr. MacFarlane).

Mr. Lambert (Edmonton West): As you know, Mr. Speaker, it would have been rather difficult to keep me down today since I am the only person in this chamber directly interested in that I might, shall I say, benefit from this announcement. Beyond that, however, may I say, in welcoming this statement and finding myself among many relatively latter-day advocates of prisoner of war compensation, that I am wondering whether the minister, in his accolades in this regard, would not remember the Dieppe veterans and their prisoner of war association which was among the first to go after this legislation.

May I ask the minister whether, in establishing the gradations of entitlement, adequate regard has been paid to those men who were prisoners of war for up to four and five years in Europe, the early RAF and RCAF prisoners of war who spent, as I have said, four or five years in prison camps and who suffered the early rigours of prisoners of war in 1939 and 1940. If the minister wants any description of them, I am quite prepared to fill his ear for a couple of hours, because their treatment in many ways in the end was comparable to that of the Japanese starting in December, 1941.

So I ask the minister if special attention is being paid to those former prisoners of war, and also what attention is being paid to the first three months of one's prisoner of war treatment, because I have heard that those who do not have a three-month period may not qualify under the legislation. The toughest time, psychologically and physically, is in the first three months.

Mr. MacDonald (Cardigan): Mr. Speaker, there is no particular reference to those who served five years. So far as the European prisoners are concerned, we seem to have uppermost in our minds the Dieppe prisoners who, as we know, were prisoners for approximately three years. In respect of those with longer periods, as yet the legislation is not drawn with anything specific in it about them. What was the other question?

Mr. Lambert (Edmonton West): Whether there is to be a qualifying three months' period and whether those people with less than three months would not qualify under this compensation legislation.

Mr. MacDonald (Cardigan): The reason the period is there is that, for instance, many people may have been prisoners for only half an hour. I refer to those people who got away. This is the reason the period was put in the first place.

Mr. Marshall: Mr. Speaker, I shall abide by your request in respect of a short question. I had a short, five-part question but the hon. member for Edmonton West (Mr. Lambert) pre-empted two or three parts. Would the minister give us an indication of the status of the drafting of this legislation at the present time, when he expects to introduce it, and whether any consideration is being given to First World War veterans who were prisoners of war?

Also, will he tell us whether any consideration, before the legislation is drafted by his officials, is being given to escapees and others who may have suffered comparable or even worse hardships by avoiding capture? Can we expect, in the future, consideration of pensions for widows of veterans who had disability pensions below 85 per cent, and is consideration being given to retroactivity? Might I say I am very pleased that the rates are to be indexed. I have one final question. Will the schedule and recommendation indicate that the graduating scale will be in accordance with the recommendations of the committee on veterans affairs? That supplements the question of the hon. member for Edmonton West.

Mr. MacDonald (Cardigan): Mr. Speaker, I should have had someone taking shorthand. The answer to the hon. member's question with reference to First World War veterans is that they are not considered in the legislation. The chief reason, as you know, Mr. Speaker, is that the treaty with regard to the treatment of prisoners in the First World War was pretty well adhered to so far as we know. They were not subjected to malnutrition or other suffering such as World War II veterans were.

● (1530)

So far as benefits for widows are concerned, no, this is not in the legislation. It will be considered at a later date. This matter is always under consideration. As far as retroactivity is concerned, it is not being considered at this time. I have felt a wee bit lucky to get this without going back. How far back would you go—one year, two years, five years, thirty years? The graduating scale as recommended by the Standing Committee on Veterans Affairs is to be considered in the bill.

Mr. Knowles (Winnipeg North Centre): May I put one question to the minister? In effect, it is supplementary to the one he has just answered. Even if he feels he cannot win a substantial amount of retroactivity, can he tell us what the effective date of the legislation will be? It may take perhaps a few days before the government brings in the bill. Surely veterans who have been waiting for this should get it backdated to January I, or even as far back as last October—some such date as that. Can the minister give any indication as to what the effective date of the legislation will be, so that it does not get lost in further delays on the floor of parliament?

Mr. MacDonald (Cardigan): The hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) asked me a question about the legislation. As hon. members know, I have received permission today to have the legislation drafted. Hon. members can rest assured that this will take place today. As to the effective date of the legislation, I would be inclined to think that when it is passed by the House it will be proclaimed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. I think the minister has misunderstood me. I know the legislation comes into effect on proclamation, but what will be the effective date of the payments?

Mr. MacDonald (Cardigan): It would be hard for me to say for sure, but I suggest that the effective date for payments will be when the legislation comes into effect.

Mr. MacFarlane: Mr. Speaker, I should like to speak in line with questions on the same subject. The minister mentioned the effective date. Having listened to the discussion in which hon. members have participated, I am sure he is aware that we are very concerned about the fact that so many of those who were prisoners of war seem to be disappearing from our numbers at a very early stage in their lives, in my view. So I have some concern, as hon. members have said, with regard to the effective date. Possibly the minister cannot give us an answer at this time, but perhaps at a later time, if he foresees any long debate on the legislation or any delay, he could make a statement concerning the effective date.

Mr. MacDonald (Cardigan): I will be glad to, Mr. Speaker.

Mr. McKinnon: I have a supplementary question to that posed by the hon. member for Winnipeg North Centre. The minister has given us no word to take to the veterans regarding when their benefit cheques will start to go out. Perhaps the minister could give us a firm assurance with regard to the date on which he will bring the legislation before the House. We had an example today from the House leaders regarding Bill C-71 which was brought in for first reading more than two months ago and has not been spoken of since. It affects the pay of members of parliament. We know he is a well intentioned minister in this regard, but if he cannot give us the effective date on which the payments will be made, surely he can give us a ballpark guess as to when he will bring in the legislation and then we will see to it that it is passed quickly.

Order Paper Questions

Mr. MacDonald (Cardigan): My answer to that is, as soon as the legislation is prepared and brought before the House, in a matter of days, I suggest.

Mr. Haidasz: In thanking the Minister of Veterans Affairs for announcing to us the good news of special compensation for former prisoners of war, including European prisoners of war, I should like to ask the minister whether he will take into consideration compensation for former prisoners of war who are Canadian citizens, and who during the time of war fought under Canadian command but were not Canadian citizens then.

Mr. MacDonald (Cardigan): Veterans from other countries who fought with the allies are generally looked after by the country from which they came.

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VETERANS INSURANCE ACT AND THE RETURNED SOLDIERS' INSURANCE ACT

MEASURE TO PROVIDE SETTLEMENT OPTIONS

Hon. Daniel J. MacDonald (Minister of Veterans Affairs) moved for leave to introduce Bill C-86, to amend the Veterans Insurance Act and the Returned Soldiers' Insurance Act.

Motion agreed to, bill read the first time and ordered to be printed.

● (1540)

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 3,602, 3,655, 3,833, 3,913, 3,938, 3,947, 3,976, 4,020, 4,041 and 4,052.

[*Text*]

REQUEST FOR FUNDS BY SOCIETY FOR THE STUDY OF THE HERITAGE OF CANADA

Question No. 3,602—**Mr. Brisco:**

1. Did the Department of Indian Affairs fund the Society for the Study of the Heritage of Canada for the Heritage Stoney Wilderness School and, if so, on what date?

2. Did the Department actually fund this project and, if so (a) on what date (b) in what amount?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. In early 1974, the Stoney Wilderness Centre requested that the Department contribute to a maximum of $75,000 for an advertising program.

2. On May 8, 1974 the Department disbursed $48,000 against invoices for advertising and promotion from the Society for the Study of the Heritage of Canada. On June 4, 1974 another $27,000 was disbursed against properly receipted invoices.

PRIME MINISTER'S OFFICE—COST OF FURNISHINGS SINCE 1968

Question No. 3,655—**Mr. Cossitt:**

Since April 20, 1968, what amount of public funds was spent on furniture, equipment, fixtures, carpets, etc. for the Prime Minister's Office in the (a) Centre Block, including offices occupied by his staff (b) East Block, including all offices occupied by (i) members of his staff (ii) members of the Privy Council staff?

Hon. Mitchell Sharp (President of the Privy Council): The "General Records Disposal Schedules of the Government of Canada"—Amendment No. 3 requires that we keep records only for six years; therefore information is not available prior to April 1, 1969. Insofar as the Department of Public Works is concerned, our expenditure was as follows:

	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76 to November 30/75
(a) Prime Minister's Centre Block Office, including offices occupied by his staff	—	$1,512	$70,052	$11,458	$5,193	—	—
(b) Prime Minister's East Block Office	—	2,228	13,372	60	—	—	—
Prime Minister's Centre and East Block Offices (not possible to split expenditure)	—	5,753	20,802	—	—	—	—
(i) Office of Prime Minister's staff in East Block	$1,756	—	—	—	—	$980	—
(ii) Offices of Members of Privy Council in East Block	—	1,973	8,819	—	4,490	—	—
Total	$1,756	$11,466	$113,045	$11,518	$9,683	$980	—

In so far as the Prime Minister's and Privy Council Offices are concerned: (b) (i) Prime Minister's East Block Office: nil. Prime Minister's Office, Staff East Block: 1968-69, $7,921.00; 1969-70, $16,829.00; 1970-71, $5,749.00; 1972-72, $3,189.00; 1972-73, $14,904.00; 1973-74, $5,878.00; 1974-75, $12,044.95; 1975-76, $1,701.00. (ii) Privy Council Office, Staff East Block: 1968-69, $7,745.50; 1969-70, $17,651.00; 1970-71, $18,232.00; 1971-72, $10,603.00; 1972-73, $15,621.00; 1973-74, $30,772.00; 1974-75, $21,820.00; 1975-76, $7,835.00.

TRANSFER OF LIP EMPLOYEES FROM MONTREAL TO OTTAWA

Question No. 3,833—**Mr. Cossitt:**

1. Were three employees transferred to the Local Initiatives Programme's Ottawa Headquarters located at 400 Cumberland Avenue from the Regional Office in Montreal in July, 1975 and, if so (a) what were their names and job designations (b) did their duties consist of performing in any way liaison work involving contacts with Members of Parliament, LIP Regional Offices or the office of the Minister of Manpower and Immigration?

2. In each case (a) for what period of time did they remain in Ottawa (b) what were their annual salaries (c) did the government pay their hotel accommodation and, if so (i) in what hotels did they stay (ii) at what cost?

3. In each case, did they receive a daily food or meal allowance and, if so, what was the (a) amount per day (b) total amount?

4. What were the reasons they were brought to Ottawa and was personnel not available in Ottawa with sufficient qualifications to fill the particular positions?

5. Were any Programme Officers with LIP or any other persons working with LIP in Ottawa relieved of their duties during this period of time in order to make way for the three employees from Montreal and, if so, what were the reasons justifying such a step?

6. Before being transferred to Ottawa did any of the three employees challenge or disobey directives from LIP Headquarters in Ottawa and, if so, to what extent?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Yes. (a) André Aubry, program officer (acting PM-3); Jacinthe Brunet, program officer (acting PM-3); Christiane Peloffy-Dostie, program officer (acting PM-3). (b) Yes.

2. (a) A. Aubry, July 7, 1975 to present; J. Brunet, July 7, 1975 to present; C. Peloffy-Dostie, July 7, 1975 to July 25, 1975; September 15, 1975 to October 31, 1975. (b) $14,054—$15,930. (c) Yes. (i) Until suitable single bedroom apartments could be found, the three employees stayed at the Carleton Towers Hotel, with the exception of July 29, 30, 31, 1975, when A. Aubry used the Park Lane Hotel. (ii) A. Aubry, hotel $526.11, apartment $2,661.24; J. Brunet, hotel $894.72, apartment $2,661.24; (Calculations to December 19/75); C. Peloffy-Dostie, hotel $410.08, apartment $900. (Calculations to October 31/75).

3. Yes. (a) The meal allowance paid each employee was $12.45 daily up to September 30, 1975. This rate became $13.25 on October 1, 1975. (b) A. Aubry, $1,736.90 (Calculations to December 19/75); J. Brunet, $1,804.25 (Calculations to December 19/75); C. Peloffy-Dostie, $765.75 (Calculations to October 31/75).

4. At the inception of the 1975-76 Local Initiatives Program there was a need for additional staff to deal with an increased work load at the National Office. In view of the immediate need to fill these positions, three experienced employees from the Quebec Provincial Office who were knowledgeable about the Program and the Quebec region were assigned to these duties on a temporary basis during the peak period of operation of the LIP Program until such time as the positions could be filled through regular staffing action. In addition to meeting an immediate requirement, the Department believed it would be advantageous for Regional staff to obtain Headquarters experience. The remaining officers will complete their assignment on January 30th, 1976.

5. No.

6. No.

CONSUMER ASSISTANCE GRANTS PROGRAMME

Question No. 3,913—**Mr. Marshall:**

1. Under the Consumer Assistance Grants Programme, what contact has been made with consumer groups in the Province of Newfoundland?

2. What staff is provided by the Department of Consumer and Corporate Affairs in the Province (a) what are their names (b) what is the distribution of such staff across the Province?

3. What organizations have been formed as a result of information directed to the citizens of Newfoundland since the inception of the Programme?

4. What funds have been allocated in the Province to encourage the formation of groups to encourage consumer complaints and how many meetings have been held with such groups?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): 1. Under Consumer Assistance Grants program, the only contact with consumer groups in the province of Newfoundland has been the receipt of a grant application from the Consumers' Association of Canada, Newfoundland, on February 2, 1976. This followed their request for grant information in September, 1975.

2. The Department of Consumer and Corporate Affairs has the following staff members located in the province of Newfoundland.

Name	Location
Noel Hurley	St. John's
P. Cloutier	St. John's
E. Parsons	St. John's
W. D. Jardin	Corner Brook
M. Byrd	St. John's
J. W. Strachan	St. John's
S. C. Crisby	St. John's
R. Fiefield	Corner Brook

3. None.

4. None.

COMMITTEE ON ABORTION LAW STUDY

Question No. 3,938—**Mr. Reid:**

1. Did the government appoint Dr. Marion C. Powell, Toronto, Ontario to the Committee on Abortion Law Study and, if so, for what reason?

2. Was the government aware at the time of the appointment that Dr. Powell was a member of Doctors for the Repeal of the Abortion Laws at least as of June 21, 1975?

Order Paper Questions

3. Is it the policy of the government to appoint individuals to commissions of inquiry and investigation who are known to have stated specific views on one side of the issue under inquiry?

4. Was there consultation or discussion with members of the (a) Doctors for the Repeal of the Abortion Laws (b) pro-abortion groups (c) pro-life groups before the appointment of Dr. Powell?

5. Has the government appointed anyone holding contrary views to Dr. Powell to the Committee and, if so (a) who is the person (b) what organizations does the person represent (c) what consultations took place and with whom, before the appointment was made?

Hon. Ron Basford (Minister of Justice): 1. The then Minister of Justice, the Hon. Otto Lang, announced the appointment of a Committee on the operation of the Abortion Law on September, 26, 1975. Those individuals appointed to the Committee were Dr. R. Badgley as Chairman, Dr. Marion G. Powell and Mme Denyse Fortin-Caron. Each appointment, including that of Dr. Powell, was made on the basis of the professional qualifications and expertise of each member in the areas to be studied by the Committee.

2. I am informed that Dr. Powell has never been a member of Doctors for the Repeal of the Abortion Laws.

3. No.

4. No.

5. See reply to Part 1 above.

COMMUNICATION BETWEEN VESSELS AT SEA AND LIFEBOAT BASES—CANADIAN COAST GUARD FLEET

Question No. 3,947—**Mr. Marshall:**

1. What is the drill for communication between vessels at sea and Lifeboat Bases in the Canadian Coast Guard fleet?

2. What are the details of the logs of missions carried out by Lifeboat Bases and areas covered by CG 107-108-109 and CG 114?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): 1. Canadian Coast Guard search and rescue lifeboats are equipped with radiotelephones covering very high, high and medium frequency bands assigned for marine communications. They are also equipped with radiotelephones enabling them to communicate with aircraft and small vessels. Lifeboats monitor all the radiotelephone distress frequencies 24 hours a day. The coxswains and assistant coxswains hold the required Radiotelephone Operator Certificate and conduct communications with ships in accordance with procedures laid down in the Radiotelephone Operator Handbook.

2. The log books of lifeboats 107, 108, 109 and 114 contain entries on the following: (1) Name or license number of vessel assisted, her position, number of people on board, her port of registry, her particulars, the name of her master and names of other persons in distress. (2) Names of coxswain and assistant coxswain of lifeboat. (3) Times of receiving distress calls, departures and returns, duration of mission. (4) Geographical area of search, state of sea, wind, visibility, etc. (5) Names of other vessels involved in mission. (6) Communications with Rescue Coordination Centres and Radio Stations. (7) Other entries necessary to prepare a full report on completion of each mission.

[Mr. Reid.]

POST OFFICE DEPARTMENT

Question No. 3,976—**Mr. Masniuk:**

1. What was the cost of (a) printing (b) issuing of the 1976 calendars by the Post Office Department?

2. How many were (a) printed (b) distributed?

3. Where were the calendars printed?

4. Who did the art work?

5. For what reason were the calendars produced in multi-colour, rather than in a one-colour or two-colour?

6. Was the printing done by (a) government printers (b) private printers and, if so (i) were tenders issued (ii) was the work given to the lowest bidder?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): 1. (a) $98,355. (b) They are distributed through major post offices across the country.

2. (a) and (b) 750,000.

3. Ashton-Potter Ltd., Toronto, Ontario.

4. B. & B. Advertising Ltd., Montreal, P.Q.

5. To reflect established corporate identify and conveniently illustrate our postage products.

6. (a) No. (b) Yes. (i) Yes. (ii) Yes.

NEWS RELEASE "STOL EXPERIMENT"

Question No. 4,020—**Mr. McKenzie:**

With reference to the January 30, 1976, News Release from the Department of Transport entitled: "Stol Experiment", how many of the 100,000 travellers were public servants travelling on official government business?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): While we are unable to answer the question exactly as posed, we do know that 13 per cent of Airtransit Canada passengers to date have used the Central Travel Service of the federal government, and are therefore civil servants deemed to be travelling on official government business.

POST OFFICE DEPARTMENT

Question No. 4,041—**Mr. Matte:**

What is the (a) name (b) classification (c) level or group of post offices in each municipality in the Constituency of Champlain?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General):

Name	Classification	Group or Grade
La Tuque	Staff	7
Batiscan	Semi-Staff	1
Auvergne	Revenue	4
Lac aux Sables	Semi-Staff	3
Parent	Semi-Staff	2
Grondines	Revenue	4
Deschambault	Semi-Staff	2
Montauban	Revenue	4
Montauban Les Mines	Revenue	2
Casey	Revenue	2
Lac Édouard	Revenue	5

Hervey Jonction	Revenue	3
Hérouxville	Revenue	4
Grandes Piles	Revenue	3
Champlain	Semi-Staff	2
St. Stanislas de Champlain	Semi-Staff	3
Proulxville	Revenue	6
La Croche	Revenue	2
Ste. Geneviève de Batiscan	Semi-Staff	1
Lac aux Brochets	Revenue	1
St. Narcisse	Semi-Staff	4
St. Alban	Semi-Staff	2
St. Ubald	Semi-Staff	3
St. Thuribe	Revenue	4
St. Tite	Semi-Staff	6
Ste. Thècle	Semi-Staff	4
La Tuque	Sub 1	—
St. Prosper	Semi-Staff	2
Portneuf Station	Semi-Staff	4
St. Maurice	Semi-Staff	3
St. Gilbert	Revenue	2
Ste. Anne de la Pérade	Semi-Staff	5
Vincennes	Revenue	4
St. Marc des Carrières	Semi-Staff	5
Rivière Mekinac	Revenue	4
Portneuf	Semi-Staff	5
Cap de la Madeleine	Sub 9	—
St. Adelphe de Champlain	Semi-Staff	4
St. Casimir	Semi-Staff	4
Rivière Matawin	Revenue	2
Sannaur	Revenue	3
La Tuque	Sub 2	—

APPLICATION FOR FUNDS UNDER FLIP

Question No. 4,052—**Mr. Corbin:**

Did the regional office of the Department of Transport in Moncton request or apply for funds under FLIP in either 1974 or 1975, for the creation of jobs on a site near St. Leonard, New Brunswick, designated for airport development and, if so (a) on what date was the application made (b) what amount was requested (c) how many man years would have been created (d) what was the response?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): The Atlantic Regional Office applied for funds under FLIP in 1975 for the creation of jobs on a site near St. Leonard, New Brunswick. (a) September 10, 1975. (b) $300,000. (c) 18.3 man years. (d) The project was not among those approved under the FLIP program.

* * *

[*English*]

STARRED QUESTION

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Would you be so kind, Mr. Speaker, as to call starred question No. 3,919.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

*LOCATION OF LIFEBOAT BASES ON ATLANTIC COAST

Question No. 3,919—**Mr. Marshall:**

1. Does the location of lifeboat bases on the Atlantic Coast show a gap of some four hundred miles along the west coast of Newfoundland and, if so (a) is the Department of Transport considering adding bases to this area to protect fishing vessels (b) is a promised review of the national search and rescue policy to determine marine vehicle systems requirements and jurisdictional areas related to search and rescue operations completed?

2. If such a review has been completed, will it be Tabled in the House of Commons and, if so, on what date?

[*English*]

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): 1. Yes. However, the fact that there are no lifeboats based on the west coast of Newfoundland does not mean that fishermen in that area are without protection. The law requires that all mariners help one another in case of distress at sea and this obligation has long ago developed into a tradition. Fishing vessels off the west coast of Newfoundland can rely on assistance from other fishing vessels, government vessels and commercial vessels of any nationality that may be in a position to render assistance. (a) The need to establish additional marine search and rescue facilities is under consideration for all Canadian waters including waters off the west coast of Newfoundland. (b) Yes.

2. No. The review was carried out in Transport Canada to gather facts and information necessary for developing a new national search and rescue policy. A revised policy on search and rescue which will be based on the results of the review is now being prepared and will be placed before the cabinet for approval as soon as possible.

GOVERNMENT ORDERS

[*English*]

TEMPORARY IMMIGRATION SECURITY ACT

MEASURE TO PROVIDE FOR DEPORTATION OF UNDESIRABLE ALIENS

Hon. Robert K. Andras (Minister of Manpower and Immigration) moved that Bill C-85, respecting immigration security, be read the second time and referred to the committee of the whole.

He said: Mr. Speaker, I believe the House leader indicated earlier today that rather than have this bill referred to the Standing Committee on Labour, Manpower and Immigration, it should go to the committee of the whole following second reading.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I should like to confirm that that is the understanding.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Speaker: If that is the agreement of the House, the motion will be changed.

Mr. Andras: Mr. Speaker, I should like to start by thanking hon. members, particularly the House leaders and hon. members of each of the parties who specialize in immigration matters, for their co-operation and accommodation in dealing with this bill with dispatch today. This bill is significant, although it is a short and temporary measure, and if approved it will facilitate the exclusion from Canada of persons who might engage in violent criminal activity in this country. It provides for the minister of manpower and immigration to make a deportation order against any person—other than a Canadian citizen, a permanent resident of Canada, in other words, a landed immigrant—who, in the opinion of the minister, is likely to engage in violent criminal activity if admitted to Canada.

As some hon. members already know, this bill was prepared primarily to enable my department to deal more effectively with potential threats related to the forthcoming Olympic Games in 1976. At present, I am empowered under the Immigration Act to order deportation of such dangerous people if they are detected while within Canada as visitors. I say that to illustrate that in effect there is no change in principle inherent in the proposal in the bill today. That principle has been long established in Canadian immigration law.

However, there is the rather alarming and peculiar situation that I have no equivalent power to deal with such people at ports of entry. Dangerous aliens detected at ports of entry cannot summarily be refused admission but must be dealt with in accordance with normal deportation proceedings, including a formal inquiry at which evidentiary requirements must be met. This is known usually as a special inquiry. This is the nub of my problem. In the case of suspected terrorists—if I may use that expression, although we have accommodated one party with a revision in the draft bill—it is often impossible to meet such evidentiary requirements since the information available to me and my department is obtained from sensitive or protected sources which, frankly, cannot be revealed at an inquiry hearing.

In addition, not all those who pose a threat are covered by the existing prohibitions of the Immigration Act. Persons who might engage in violent activity directed against democratic states or governments are quite clearly prohibited, but there is no clear prohibition against the admission of persons intending to carry out such acts against representatives of governments other than democratic governments or even against individuals without political motivation.

I intend to be very brief in my elaboration on the reasons for bringing this measure in, and I will be glad to answer questions when we get to the report stage. As I have indicated, this measure will be temporary in nature, with the expiry clearly indicated to take place at the end of 1976. There are two reasons for that date. As I have indicated, one is that we are concerned primarily about threats relating to the forthcoming Olympics and possibly at the Habitat conference which takes place a little later. The second reason is that I will be presenting a major bill to the House during 1976 which will propose new immigration legislation. At that time the House will have the opportunity for a full debate on all aspects of immigration, including the types of people whose admission to Canada will be prohibited.

[Mr. Speaker.]

Before I sit down I want to clarify one point which I think is very important. I have seen some allusions in the press which are incorrect. This bill does not in any way abrogate appeal rights as they now exist in the immigration Appeal Board. This bill is applicable to visitors to Canada, it does not affect landed immigrants, and in no way affects Canadian citizens who are either naturalized or native born. It will apply only to those people who come to Canada temporarily as visitors. Even in that case there is one class of visitor who will still retain appeal rights even in face of this power I am asking for today, and that is the visitor who was screened abroad and received a non-immigrant visa before coming to Canada. In that case, I would still have the power to order deportation but the right of appeal would be there. In current practice this amounts to about one-tenth of 1 per cent of visitors to Canada. There are about 40 million visitors annually, plus the additional visitors we think we will have for the Olympics.

Only those coming from certain countries are now subject to previous screening under visa requirements. I want to establish that no appeal rights are affected in any way by the provisions of this bill. This bill simply gives me the power to turn people away at the border where we have, in my opinion, satisfactory evidence of the dangers they might present to this country. As I have said, this bill expires on December 31, 1976. When we come to the committee of the whole House, I will be glad to respond to questions which may arise.

Mr. Jake Epp (Provencher): Madam Speaker, in rising to speak on Bill C-85 I first should like to thank the minister for the manner in which he approached representatives of the opposition with regard to this bill. Discussions have taken place as to how the bill should be introduced. The minister has been very candid as to the provisions of the bill. When we called them, his officials and staff were more than helpful in explaining the purpose and the provisions of the bill. I should like to thank the minister and his officials for that co-operation.

I suppose there is a natural hesitancy on the part of many hon. members to give what might almost appear to be blanket approval to any legislation which is introduced in the House of Commons, especially legislation which would increase the discretionary power of any individual, in this case the Minister of Manpower and Immigration (Mr. Andras). However, I appreciate his assurances relating to the appeal procedure and that it has not been abrogated in any way. On that basis we have given assurances in private that we will allow speedy passage of Bill C-85.

One need only look at the events surrounding the October crisis of 1970 and the use of the War Measures Act to feel somewhat uneasy about giving speedy passage to this bill. But notwithstanding that, it is my view and the view of my party that it is incumbent on all of us to co-operate in every way with the government to enable our security officials in the RCMP, in the Department of Manpower and Immigration and in the armed forces to prevent an incident such as that which occurred in Munich during the 1972 Olympics.

At the present time the deportation procedures are fairly clear. One procedure is the special inquiry whereby a special inquiry officer presents evidence at a hearing which would then affect whether a deportation order would be served. The second procedure is possibly more obscure. A minister can also make a deportation order. That is outlined in section 7 (4) and (5) of the Immigration Act. However, in that case a person must physically be in Canada and must be, in the opinion of the minister, a person who, as outlined in section 18, violates the Immigration Act.

● (1550)

Madam Speaker, under present conditions, where there are grounds for suspicion that someone at a port of entry might be a member of an international terrorist organization, it appears this is hardly a case to be presented at a special inquiry and it is to cover such cases that Bill C-85 is before us.

This year two international events will turn the eyes of the world to Canada: the United Nations Habitat conference to be held in Vancouver in June, and the summer Olympics to be held in Montreal in July. With these in mind, this party gives approval to Bill C-85 notwithstanding some of the caveats I have placed before the House. Personally, I should have liked to see the expiry date changed from December 31, 1976, to July 31 or the end of August. Those of us who sat many long hours on the joint committee to study immigration policy—I know some of us have not recovered from that exercise yet, and probably never will—are anxiously awaiting the new Immigration Act which we hope will reflect some of the recommendations of the committee. Meanwhile, we accept the minister's explanation for the December 31 date.

I was gratified and immensely relieved when the winter Olympics at Innsbruck, Austria, concluded recently without any terrorist incidents. Those of us who watched television could tell there was a lot of security evident, but nothing happened such as happened in Munich in 1972. I hope the spirit that was evident at Innsbruck will prevail in Montreal in 1976. We all know that international terrorists can strike anywhere with lightning speed. With international jet travel it can happen in the Netherlands, Vienna, the Philippines or, for that matter, in North America. Any attempt to prevent incidents such as have been experienced in the past has the support of this party.

One thing that concerns me deeply is the tremendous outlay of funds and manpower on the summer Olympics of 1976. In the two-week period of the Olympics we will spend more on security than has been spent on physical fitness or amateur sport in a year. Maybe that is an indictment of our society. It is obviously not the fault of the minister, and I am not trying to suggest that. However, it is a sobering thought and a terrible testimony to the society in which we live in 1976. Possibly we on this side of the House differ from the government about the cost of the Olympics and the benefits that may accrue to Canadians generally. Many of us are resolved that the Prime Minister's statement that Canadian taxpayers generally will not be asked to pay for any deficit incurred will be adhered to.

Despite the differences that there may be, despite the construction delays, strikes and the clouds that have surrounded the Olympics, I believe we are all agreed that every precaution must be taken and no effort spared to prevent an incident such as that which occurred at the 1972 Olympics in Munich. If this bill in some small measure can assure that prevention, it has our support. While many of us might have reservations about the discretionary powers that the bill embodies, we nevertheless pledge our support and will see that it receives speedy passage.

Mr. Andrew Brewin (Greenwood): Madam Speaker, we are also anxious to expedite passage of this bill. We appreciate that there will be a large number of visitors coming to Canada this year to see the Olympic Games and for other purposes. On the basis of experience there is real danger, in such circumstances, of acts of violence. We agree that whatever is possible should be done by our security forces and by the law to enable the government to deal with these threats and to ensure that as far as possible no disorders occur. We believe the provisions of the present Immigration Act dealing with this matter are entirely inadequate.

Included in the prohibited classes under the present act are people who committed crimes or admit having committed crimes, people who are members of so-called subversive organizations or who are supposed to be involved in sabotage or activities detrimental to the security of Canada. These provisions were drafted a good many years ago, however, and are quite unsatisfactory now. The definitions are vague and in some cases virtually meaningless. There are gaps which make them quite inappropriate to present conditions.

The joint committee on immigration has recommended changes to these sections. We would therefore have preferred that the Immigration Act itself be amended on a permanent basis to take care of the new order of things in which it seems there are groups of people in different parts of the world anxious to secure their political ends and to attract attention to their political causes by acts of violence, hijacking and other forms of terrorism. However, we are persuaded by the minister that there is a necessity for speed, and we have been impressed by the fact that the minister has made it clear that the Immigration Act is to be revised and comprehensive legislation introduced before the end of the year. Notwithstanding that, it is necessary to deal with the special sections of this legislation because of the Olympics situation and the unusual circumstances.

When we had the opportunity to see the earlier draft of this bill, we had two objections. One was the word "terrorist" which was used to define the persons liable to be deported under the act. We thought this was too vague. However, the government has seen fit to expand the definition and we are perfectly satisfied with the new version which refers to acts of violence which would, or might endanger the lives or safety of persons in Canada. We appreciate the minister's action in this respect.

The other objection, however, remains. The present wording confers on the minister and, what is more important, in effect his officials, the right to deport on the basis of purely subjective judgments, without review or appeal. I say it confers this power on the officials because there will be perhaps thousands of cases and the minister cannot deal with all of them himself. We do not think this is

necessary, and we will move an amendment to add after the words "in his opinion" the words "on reasonable grounds". It would still remain basically the minister's judgment as to whether a person should be deported, and we doubt very much whether, with the amendment we propose, the courts would be disposed to interfere. We think it wrong that the minister and his officials should have the unfettered discretion to order deportation. We think it wrong that even in clear cases, for example, of mistaken identity the right of the court to intervene should be entirely removed.

● (1600)

Many hundreds of thousands of people come to this country as visitors and it is often said that they have no rights. We repudiate this theory. Of course they have no rights except those given to them by parliament and this country. If we choose to confer on those who come to Canada for the Olympic Games or other purposes the right to question the objective opinions of the minister or his officials, we shall, in that sense, give them rights and in that sense they have rights and deserve consideration. We believe it would be well for us, in our laws dealing with visitors to this country, to continue to show respect for the judicial process, individual rights and human dignity.

We have included in the proposed amendment a new subsection which would protect, as the minister says, against disclosure of information prejudicial to the security of Canada. I understand that there is general agreement for this bill to be dealt with promptly. We do not intend to make our contribution lengthy on second reading or in committee. We hope to see the bill passed promptly but believe it would be much improved by the amendment we suggest.

Mr. David MacDonald (Egmont): Mr. Speaker, I shall speak briefly on this bill which, although not long, is significant. I listened carefully to the minister's introductory remarks and reasons for introducing this bill. Let me say here and now that I concur with the remarks of the hon. member for Provencher (Mr. Epp) and the hon. member for Greenwood (Mr. Brewin). This bill has been introduced to cope with security difficulties. Soon, two major events are to take place in this country and acts of terrorism might be anticipated. On the whole, the minister's arguments did not convince me, but I will not go into detail. The amendment proposed by the hon. member for Greenwood addresses itself to the problem of security. If necessary, I shall be happy to speak on the amendment later at greater length.

Proposals for dealing with visitors to this country who may contravene our laws, without reasons being given for the actions taken, are dangerous. Such legislation would constitute a dangerous precedent which we should not accept lightly.

I realize that the reasons for this legislation are of the utmost importance. Nevertheless, despite the most strenuous security precautions, as the hon. member for Provencher said, one cannot be certain that acts of violence will not occur at either of the two major international events which will take place in this country. I call as my witness the events of the last decade and a half. We have seen the assassination of a president, of a president's brother, and of other outstanding citizens despite stringent security precautions. In the final analysis, there is little one can do to prevent the most tragic, the most diabolical of incidents occurring.

Therefore, even though we will give this legislation speedy passage, we shall not ensure that which the minister seeks when asking for approval of this bill. The minister suggested that this bill, a most illiberal measure in parts, is to be temporary. We know only too well how this government's temporary measures tend to become permanent. It gives me little pleasure to say that this government's track record in keeping so-called short-term, temporary measures short term and temporary is not good. The public order bill passed in the latter part of 1970 was to be a short-term measure. Yet shortly after it was rooted there was almost universal rejection of its principles which were not acceptable to those concerned about civil liberties in this country.

Because of the public outcry against that legislation, the government so far has not introduced what it called a permanent replacement for the War Measures Act. However, it introduced the temporary public order bill. Frankly, I am worried about this short-term measure. It is not that I do not trust the present minister; I have the greatest respect for him. All the same, I think it unwise to give any minister a blank cheque, which is exactly what this legislation asks of us.

The minister assured the House that this legislation will not abrogate normal appeal procedures. That is an important assurance, confirmed by the third paragraph of the bill. I remind the minister, it is one thing to maintain appeal procedures but quite another to deny evidence and material which is necessary if the appeal procedure is to work fairly. Therefore, the minister's assurance is not plausible. I say this with the greatest respect. The assurance cannot be effective if the most vital ingredient of all, the evidence on which the deportation order is based, cannot be made available to the individual involved.

I am as anxious as anyone to give the minister full opportunity to deal with potential or actual acts of violence or terrorism. We hope such acts will not occur in our two forthcoming major international events. Of course, we must consider this kind of legislation in its correct perspective. When people remember what happened at the Munich games, at the international conference of oil ministers, and to other athletes who were either kidnapped or murdered there is a terrible tendency for them to think that we can prevent a repetition of these tragic events by suspending the normal workings of the immigration process or the process governing the movement of individuals across our national borders. The danger is that we shall take the simplistic view and legislate against that which has already happened.

I know that officials may have convinced the minister he needs this authority. I would urge all members to take into account the significance of what the minister said in connection with this legislation. Perhaps later this year, when we are dealing with the permanent legislation which is to be presented to us, we could be given a detailed report telling us how important this legislative provision really was. Indeed, we might receive a report from others, not just from the minister, so that we shall not too easily be

led into passing legislative measures similar to this one which I think would not be in the best interests of the country and which would certainly not provide the rights which individuals have come to expect from Canada.

● (1610)

Motion agreed to, bill read the second time and the House went into committee thereon, Mrs. Morin in the chair.

On clause 2—*Minister may make deportation order.*

Mr. Brewin: Madam Chairman, I move:

That the Temporary Immigration Security Act, clause 2, be amended by adding after the words in line 10 "in his opinion", the words "on reasonable grounds" and that subclause (2) be added as follows:

"Nothing in this section shall be deemed to require the production before any court of tribunal of any sources of information whose disclosure the minister certifies would be prejudicial to the security of Canada."

I have already sought to explain the reason for this amendment. It is to introduce into this process something of a judicial nature so that the discretion of the minister or of his officials will not be absolute. I appreciate the danger which may exist if some of the information secured by the minister came from confidential security sources whose disclosure would be damaging or prejudicial to the security of the state. That is the reason for subclause (2).

I merely want to add that when one is thinking in terms of perhaps a million visitors—I do not know the exact figure; certainly it is likely to be hundreds of thousands—it is of the utmost importance to Canada's international relationships and friendships that the rest of the world should have an opportunity to see our judicial process in action. I am sure all members will agree we should do our best to prevent any possibility of arbitrary action. I do not accuse the minister of being disposed to arbitrary action in any way and, indeed, I have some respect for our immigration officials, but I do know that mistakes can be made, that prejudice can exist and that things can be done that should not be done. This is why I have moved the amendment which has just been read to the House.

Mr. Epp: Madam Chairman, I have a word or two with respect to the amendment proposed by the hon. member for Greenwood. I should state from the outset that it has our support. This matter was of concern to us earlier in our discussions with the minister. The minister felt he would be placed in an untenable position if we simply added the words "on reasonable grounds", but I believe the subclause referred to by the hon. member for Greenwood takes care of this objection and that the powers of the bill will remain. Reasons must now be given, but a person to be expelled or deported does not have the right to a hearing by a tribunal.

Mr. Andras: Since the question raised by the hon. member for Provencher pertains, in the main, to the amendment moved by the hon. member for Greenwood, perhaps I could respond to both hon. members and also take an opportunity to deal with other comments made on second reading. I might say they relate to concerns which I share. The hon. member for Greenwood, if I understood him correctly, indicated that there might be thousands of cases. Frankly, we anticipate that this power would rarely be used. I hope to goodness it will be rarely necessary to use it: I say this because of reasons for it. I can tell hon. members, from where I have sat as minister of immigration for some three years, that there is no question in my mind as to the need for this provision. I speak in terms of the current situation, and I shall obviously not deal with that aspect in detail. We need this provision now.

The hon. member for Egmont expressed concern about the implications of such an amendment in the long term. I simply say to him that to extend the period for which provision is now being made would require further legislation. As I have said, there will be an opportunity when a significant and, I hope, profound immigration bill is placed before the House, to deal with this kind of question and other aspects of security as related to immigration in the wider context of a more general debate. The bill before us is not, by its nature, a permanent one. Of course, its very existence opens up debate on these issues, but there is no way in which it could be extended beyond the envisaged date in the absence of parliamentary approval.

Of course, action of this kind brings no surety that we can avoid violence or problems of a security nature at the Olympics or elsewhere. But with my awareness of the situation, one which I have shared with hon. members even during the course of this brief debate, I believe this is a reasonable measure to take and I would certainly not want to stand before Canada eight or ten months from now without having taken the action I am proposing. Nor do I think any other hon. member would wish to share the ignominy of having neglected to take that measure, recognizing full well that we cannot plug every hole or apprehend every person who might be a danger to us. The bill is not a blank cheque. I say this in the sense that it does not extend powers which I do not already possess. I already have the power to remove a person who has been admitted to Canada, but there is a weakness in the act which in the past, I suppose, we really did not realize existed. I suppose we were not alerted to the new wave of terrorism and violent acts that have already been alluded to by hon. members in their comments, but the impending Olympics did alert us to the fact that there is a soft spot in the act.

● (1620)

I already have the power, Madam Chairman, arbitrarily at my discretion, to deport persons after they have been admitted to Canada. As the act now reads, at the border, at the port of entry, it requires our officers, who would not be in possession of this evidence for reasons already placed before you, to admit in the absence of a reason not to. So I would be in the silly position of having to let a person in and then having to trump up or find a reason later to apprehend him and turn him around. But I can do that now without appeal, so there is no change whatever in the appeal structure.

This power, which bothers all of us—this question of arbitrariness—already exists in another form, too, in our immigration law, and that is in the application of section 21 of the act. Even where the appeal right does exist, as it does now for landed immigrants, for refugees, for Canadian citizens where there is a doubt about their papers or the validity of their claim to citizenship, and for non-immigrants with a visa, we can and still do—and unfortunately

have had to in some 40 cases in the last eight or nine years—submit to the Immigration Appeal Board what we call a section 21 certificate, which in fact is a guillotine on the use of the Immigration Appeal Board's compassionate and humanitarian jurisdiction. It is based totally on a statement by the Minister of Manpower and Immigration, with the co-operation and collaboration of the Solicitor General, that evidence available to us of a security and intelligence nature indicates that this person should not be granted that compassionate jurisdiction because of a threat to the security—criminal, subversive or terrorist—of the state.

As I say, Madam Chairman, the principle really has been established. One can argue that it is Draconian, but it exists in almost every state in the world that I know of. In Britain the Home Secretary has more Draconian powers than those I am asking for here. The same applies in the United States, I believe in Sweden, and I think in all countries that we are inclined to agree fit into our pattern of democratic, civil libertarian traditions. We are certainly not stretching beyond that.

The appeal right where it exists, and we are not changing anything there, of course, would be more in the sense of identification. Is this the person to whom my evidence or my decision applies? That already exists in the Immigration Appeal Board so we are not changing anything there. Already visitors can be deported or prevented from coming in where there are other reasons to refuse them, without appeal rights, so it is not a question of access to identification. That is the Immigration Appeal Board Act argument which again we will have the opportunity of dealing with when the main bill is before the House.

Coming now directly and specifically to the amendment that has been placed before us by the hon. member for Greenwood, we had a pretty fair discussion about this, as indeed I had with members of the official opposition and others, and I really did search my soul to see if we could accept this amendment. I am not a lawyer, but I have been advised—

Mr. Epp: Good for you.

Mr. Andras: I say that with respect to the many in the House who are. However, I have sought independent confirmation of the advice given me by the law offices of the Crown, because it was a legal debate, as I recall in our private discussions, as to where the words "on reasonable grounds" would fit, what they actually did in the end. I regret to say that I only saw the amendment itself in the last few minutes when the hon. member for Greenwood tabled it. I have looked at it to see if the additional subclause would in fact relieve me of the difficulty that the additional words "on reasonable grounds" would have placed me in, and I regret to say that I do not think I can accommodate him. It will, of course, be for the will of the House, but I must oppose it. First, with regard to "on reasonable grounds", that seems like a very fair expression. But the very nature of my dilemma is that I cannot produce that evidence, those reasonable grounds, in a court or before a special inquiry. It is the nature of the source and type of information that I have; this is where the dilemma lies.

[Mr. Andras.]

I am told by the legally trained people that there is an implied requirement for the minister and for the Crown to act in a responsible manner. If there were an overt abrogation of that, with or without the words "on reasonable grounds" in the amendment there is some recourse, and I presume there is the general constitutional, Bill of Rights approach to it. That is implied. I think it has been accepted by the courts that a minister, given that kind of power, must in fact use it honourably, or sooner or later, through public opinion, etc., he and the government are going to get it in the neck.

Unfortunately, I think the subclause (2) proposed in the amendment, which has been designed, I know very sincerely, to relieve me of the problem I have described—that is, of producing the evidence—is itself a contradiction. If, on the one hand, there are reasonable grounds, which is assumed anyway, that on their own would require deportation, how are you going to establish that? I cannot produce the evidence before anybody, for reasons which I have described. The amendment goes on to say:

> Nothing in this section shall be deemed to require the production before any court or tribunal of the sources of information whose disclosure the minister certifies will be prejudicial to the security of Canada.

With respect, I think that is meaningless. The hon. member is saying you have to establish reasonable grounds and then is saying, "Don't produce any evidence". There are reasonable grounds and I cannot produce the evidence. That is the nature of the evidence that I have. So I think the amendment is a little off base there. There is a more precise and narrow limitation to the amendment, I think, had I been able to accept it, or if the House were able to accept it—which I hope will not be the case—which is a little bothersome too. The amendment makes reference to "prejudicial to the security of Canada". There are incidents or situations, I hope hypothetical and which I tried to describe in my opening comments on second reading, which I suppose would be indirectly prejudicial to the security of Canada. But we could have dangerous people motivated to attack individuals in this country which might not necessarily endanger the security of Canada. One questions whether the events at Munich, as reprehensible and tragic as they were, endangered the security of West Germany.

Mr. Lambert (Edmonton West): Not in total, but surely partially.

Mr. Andras: I agree. As I say, if I could find my way to accept the general intent of the amendment, I would suggest that that wording "prejudicial to the security of Canada" be tidied up a little.

Mr. Lambert (Edmonton West): No, "security in Canada", not "of Canada".

Mr. Andras: The amendment I have reads, "security of Canada". Anyway, by virtue of my argument I regret I cannot accept the amendment, and I therefore look to the House to join me in my views and not vote for the amendment. When we come to the measures that we will be proposing in the new main immigration legislation, I shall very much value the points that have been made and I shall see what I can do. We shall have the opportunity of considering alternatives to this temporary bill.

The Assistant Deputy Chairman: Order, please. Before recognizing the hon. member for Esquimalt-Saanich I should like to put the amendment to the House. It is moved by the hon. member for Greenwood—

—that the Temporary Immigration Security Act, clause 2, be amended by adding after the words in line 10 thereof, "in his opinion", the words, "on reasonable grounds"; and that a subsection (2) be added as follows:

"Nothing in this section shall be deemed to require the production before any court or tribunal of the sources of information whose disclosure the minister certifies will be prejudicial to the security of Canada."

Mr. Munro (Esquimalt-Saanich): Madam Chairman, I should like to say a few words in the general context of this amendment. Bearing in mind that deportation has a long-term effect on the individual concerned, it would mean that the person would never again have the chance to apply for admission to Canada, unless of course the minister gave his approval. I am wondering if this "reasonable grounds" notion that has been put forward in the amendment might not be a safeguard against an unintended misuse of the statutory discretion that is given the minister now, under this particular bill, to deport a person. If there were a mistake made—and one could be made, with all the best intentions in the world, on the part of the minister—and an individual were deported but a year later sought admission to this country, how could that person again get in?

● (1630)

Mr. Andras: Madam Chairman, any person deported cannot enter the country again without the consent of the minister. I can tell you from practice that from time to time, where a person has been deported, a deportation order executed and the person removed, and circumstances have changed and an appeal has been made to me or my predecessor—this goes back perhaps to the days when Ellen Fairclough was sitting here, so I am not talking about parties—the minister has the power to admit that person who had been deported. Indeed, in some cases people who have been deported have applied for landed immigrant status and have been granted such because of rehabilitation or other reasons. These are individual cases, and one has to examine the facts.

The fact is that visitors in the category to which this bill will apply do not now have appeal rights. This contemplates no change whatsoever in the appeal system. It does not add or subtract from the category of people who have the right to appeal to the board or the courts. It makes no change there at all. There is no change to the principles that already have been established, as I indicated earlier, under which I can summarily deport such people from the country. What I cannot do is stop them at the border. The bill extends that power so I can do this at the border.

I do not want to go into too much detail, for rather obvious reasons, but I have experienced situations where time is of the essence. I assure hon. members, with every degree of sincerity I can muster here, without going into too much detail, that time is of the essence in some of these situations. It is not good enough, if we believe in the power that is already in the act under which I can deport visitors who are dangerous, to do it after the fact rather than before. That is what we are asking for here.

[*Translation*]

Mr. Lachance: Madam Chairman, I rise on a point of order.

The Assistant Deputy Chairman: The hon. member for Lafontaine-Rosemont (Mr. Lachance) on a point of order.

Mr. Lachance: Would it be possible to know whether we on this side of the House can be recognized at the same rate as the other side of the House, Madam Chairman? I have been rising for about four or five minutes.

The Assistant Deputy Chairman: Government members will be recognized at the same rate as members sitting on the other side of the House. For the time being I recognize the hon. member for Edmonton West (Mr. Lambert).

Mr. Lambert (Edmonton West): Madam Chairman, I will be very brief. However, I wonder whether the minister is not influenced by the general attitude in his department.

[*English*]

What I am saying is that this almost becomes an occupational hazard in the department and that practically any information is withheld even from the people concerned. If it becomes a matter of health or some physical disability that is discovered on examination, the whole blessed rigmarole has to be gone through again, with doctors consulting doctors; but the person involved cannot be advised. If it is a matter of assigning points, and so forth and so on, that again is not disclosed. It formerly was disclosed, but this immigration process has gone into a shell, which I submit is totally wrong.

There should be a fairness in this matter. I know the minister takes the view that this sounds to be fair. With the greatest respect, this has coloured the minister's reaction to what I think is a very legitimate proposition by the hon. member for Greenwood. Perhaps the language of his amendment might be more felicitous in respect of one or two points which might take away from the difficulties the minister foresees, but surely to goodness it is fair.

We are dealing with a very tough thing. We saw the excesses of October, 1970. There is a tendency here, when dealing administratively, nicely and neatly, to overreact. The minister admits he is not a lawyer. The giving of reasons is not giving of the evidence; that is the point I want to make. The minister does not have to disclose the source of information or the nature of the danger a person involved poses to security in Canada—not security "of" Canada, security "in" Canada. This covers Canadians and visitors here under the umbrella of security. I would not expect the minister to disclose the evidence.

The proviso introduced by the hon. member for Greenwood is correct because it leaves to the minister the discretion he desires in relation to a duly signed certificate under which the minister exercises his responsibility. It would not be in the public interest to disclose the information or the source of that information, but surely that is all that can be expected. The individual and the public surely must, and should, know that an individual has been deported or barred from Canada because his presence here could pose a threat to security in Canada. That is a reason-

able suggestion and I find the reasoning of the minister somewhat difficult to understand.

There was another point I wanted to cover, but it has slipped my mind for the moment. Perhaps it will come back to me later. In the meantime, I will yield the floor to other hon. members who want, and have, the right to speak on this matter.

[*Translation*]

Mr. Lachance: The minister said there was no doubt in his mind that the powers Bill C-85 gives him were absolutely necessary to fight possible abuses that could occur during the 1976 Olympic Games in Montreal if known terrorists had access to the olympic site, for example, via the US-Canada border which is relatively easy to cross.

My question is as follows. First, since this bill is meant to cover the 1976 Olympic Games and to protect both athletes and Canadians in 1976 why—and it would seem the hon. member for Provencher (Mr. Epp) knows the answer but we on this side do not—why is the expiry date of Bill C-85 December 31, 1976 rather than the actual end of the Olympics? I do not know that date. Will it be in late July or early August? And second, does the minister consider—he did not say in his remarks—that the powers granted under Bill C-85 could be included in the new version of the Immigration Act that should be before the House at the end of the year—a revised and corrected version, of course, and hopefully with sophisticated powers? Furthermore, is consideration being given to including those powers in the future Immigration Act because I consider it to be necessary for the protection of Canadian citizens to control arbitrarily the entry into Canada of terrorists or other undesirable aliens?

● (1640)

[*English*]

Mr. Andras: Madam Chairman, I think earlier I indicated the answer to that question. I believe the hon. member has in his final comments indicated the reasons. This weakness in the act, if it is a weakness—and of course we were stimulated by our concern about the Olympics particularly and primarily, and Habitat, as well as some other events scheduled for this year—is because we wanted to bridge that period until such time as this House could deal permanently with the matter.

This is emergency legislation, but we have made the commitment—and I feel very definitely that the commitment will be met—that we will be placing before this forum the more profound immigration bill and new policies which are being developed now. Unquestionably, this area of concern will have to be dealt with. I want the House to have the opportunity to deal with it in a broader context than this particular situation permits, or the time or emergency permits, and indeed I want to bridge that period but with a definite expiry date which is December 31, 1976. With this time-frame and these conditions and events, we had in mind the setting of the date. We looked at 60 days, or even precisely the end of the Olympics. We felt we needed a clean-up period and thought it would be wise to provide for the other bill to come in, at which time the matter in broader context than this will be placed before the House.

[Mr. Lambert (Edmonton West).]

Mr. MacDonald (Egmont): Mr. Chairman, I want to deal with what I think is at the heart of the minister's objection to placing in this particular legislative provision some protection against abuse. At one point in his speech the minister, in speaking to the amendment proposed by the hon. member for Greenwood, said his problem was that he cannot in this current situation reveal either the nature, the source or the type of information he would have with regard to the possible exercise of this provision. I think that is at the heart of what we are trying to deal with this afternoon. The minister stated this as being the prime reason for requesting these Draconian powers.

I think he is assuming something all members of the House are supposed to assume, which is that indeed the sources and the information in themselves would be impeccable. I think this is what disturbs many members and quite a few people in the country. We know only too well that what is being dealt with often by way of information that would come to the minister is not in fact information that would come from convictions, from events that would be well known and for which individuals would have been convicted in their own country. We are not, I expect, in effect dealing with people who are so well known to the police authorities that it would be obvious they are people who should not be admitted to our country.

What we will be dealing with, and what I suspect the minister is dealing with in the way of privileged information given to him by his officials, is in the nature of dossiers, information and reports acquired not only by police officials but by various kinds of informers in other countries. It is not necessary to mention the countries from which this information comes.

We know that in many instances the information that is relayed is information as much of a political nature as of a criminal nature. This is what makes the exercise of this act so difficult. We are being asked to give the minister power in respect of information which can, and frankly will, be coloured by the nature of political opinions and political authorities in a host of different countries. The minister receives this information, often filtered as well by those who exercise positions of responsibility, particularly in situations where there may be a considerable amount of political turmoil in their country, which suggests to the minister that certain people are not appropriate to be admitted to this country and could in fact endanger the lives of others.

Of course, the minister will have to take his responsibility. No one, certainly not myself, would deny him the full ability to take that responsibility. What concerns many of us, I believe, is the very fact that the minister feels there might be a certain endangering of our citizens in making this information public—I know he must be very concerned about this—and that he could on occasion in fact not only be poorly advised but could be given information which could be, in effect, largely untrue.

In trying to deal with this legislation, I attempted to see whether there was no other way to get around this problem. I had hoped that the minister's consultations with the law officers of the Crown, and independent legal advice, would have indicated that he had some safeguards for these difficulties. He might have suggested, perhaps in place of the recommendation of the hon. member for

Greenwood, that the responsibility might be shared for this brief period by someone who has full knowledge of the immigration laws of this country and great responsibility for them. In this case I think of the chairman of the Immigration Appeal Board. In that way at least there would be one additional safeguard.

Quite frankly, this is the part of the legislative initiative which concerns me most. I have seen certain aspects of this over the past few months in respect of communications being transmitted. Let us take, for instance, Interpol. It is well known that Interpol has received a good deal of criticism in recent months, particularly in the United States where there have been certain congressional investigations. Because Interpol is not a public but is, rather, a private police agency it can, in effect, be used by those who would not have the best interests either of their country or a number of individuals at heart.

That is why I am not at all happy with the provisions being requested by the minister. There are no safeguards whereby Canadians can be assured that the minister will not make decisions on the basis of information which is heavily politically coloured and may therefore, in effect, deprive individuals of rights which they would normally expect to receive from this country. I know the nature of the problem here is most serious and requires the responsibility of all members of this House, but without some kind of assurance concerning safeguards I am not happy to leave the bill in its present state. I hope the minister, with his officials, will find some acceptable compromise which would give the assurance which I think members on all sides of the House seek.

Mr. Brewin: Madam Chairman, if we had unlimited time I would find it very interesting to discuss with the minister some of the legal opinions he seems to have received from the law officers of the Crown which I find mystifying in the extreme from my experience as a lawyer. I shall confine myself to considering, with the hon. member for Edmonton West, some of the real points which exist here. There is a distinction that has been drawn between evidence, certainly the substance of evidence, and the reasons for taking an action which could be disclosed in many cases without revelation of the confidential sources. The minister has a perfect right in those cases, under the amendment we propose, to file a certificate in respect of the security of Canada.

● (1650)

There was a very clear illustration of this on an even graver matter, and that was the internment of people during the war who were suspected of being close to one of the powers we were fighting against. Originally, under the defence of Canada regulations, when many people were interned nothing whatever was disclosed as to the reasons. The minister was not required to say a word. But a tribunal was set up which was given the power to require the minister or his officials to give general particulars without giving details of names or sources. This was done and it worked perfectly well. That is the procedure which I think would be highly appropriate in this particular situation. It is not every fact that comes under the provisions of subclause (2), not everything that affects security. There may be the most open evidence of certain acts of violence which have nothing to do with confidential sources. Why, in those cases, should there not be disclosure?

There are other matters which I would rather like to discuss with the minister, but in view of our undertaking to be brief I will not pursue them at this stage. I am glad he thinks the debate has been useful. Certainly when we get on to permanent legislation we may have to debate this matter at greater length and with greater care than we have today, when the circumstances require us to act quickly.

Mr. Andras: Madam Chairman, I am attempting to resist the temptation to rise again because, as we have all indicated privately and publicly, we have time problems. I will simply say this. The hon. member for Egmont has put his finger on the problem. I do not think he has resolved it. I am trying to. We already have the situation in section 21, and it is more Draconian there if one accepts that a landed immigrant has acquired more rights by far than a temporary visitor to this country with whom this act deals. I totally accept the necessity to take my responsibility under section 21. Believe me, both he and I have been through this on a few occasions and have looked very carefully at that evidence.

With respect to the point made by the hon. member for Edmonton West, the possibility exists that you do get influenced by your officials, and indeed my concern is that the train of events can lead to that. I am totally conscious of that. I will say this much, that when we come to the immigration bill I will have some ideas which we are exploring now. Unfortunately, time does not permit their association with this quick job which I have to do because of the Olympics coming up. We are exploring avenues and mechanisms by which to lessen the confidentiality aspect of sources of information and yet try to get an independent view of the judgment which must be applied to that information. I am totally conscious of that and I have some ideas which I am discussing with my colleagues. I assume they will surface when we present the package to the House.

Some hon. Members: Bring on the package.

Mr. Andras: I respected the admonition of the joint committee that I not develop policies in the back room and then spring them on the people of this country. That is the reason we have this time lag to a degree. As the hon. member for Greenwood has indicated, I will welcome a debate at greater length on the permanent legislation. I am quite sure it will be a more detailed debate, with more concrete proposals to try to resolve to some degree this dilemma of the confidentiality of this kind of information, and therefore evidence that I can present now because these matters are all interrelated.

There are many versions of what that mechanism could be and how it could work. I do not have the final version in my mind, frankly, although I have definite ideas. I am in a position to say that that debate, on the permanent legislation, will come later. Regrettably, I cannot become enthusiastic about the proposals in the amendment because if I were asked by a court for reasonable grounds, and then said to the court that I was not required to produce evidence, they could say, "Therefore we will reverse the deportation order." I would be in a real jam then.

As to the comments made by the hon. member for Edmonton West, he is right. I worry sometimes about

confidentiality throughout the whole government on some occasions when we are a little cautious. But the particular case of certificates under section 21 and what I am proposing here is quite different from the matter of how many points a person has accumulated. I am open to see how we can open that area of information more, but I know that this one must be kept confidential although I do want to find some cushion of independent examination which can help me make those kinds of decisions without the concern I have often felt when I have been looking at these files in the middle of the night and have had to make a decision rather quickly as a lonely person, and I know that my colleague has felt the same way. I have some ideas on that question but I cannot put them in place at this time; they will have to await the major legislation.

Amendment (Mr. Brewin) negatived: Yeas, 26; nays, 32.

Clauses 2 to 4 inclusive agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

● (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for St. John's East (Mr. McGrath)—National Defence—Reason for delay in starting search for missing fishermen—Possible reassessment of search and rescue capability; the hon. member for York-Sunbury (Mr. Howie)—Regional Economic Expansion—Liaison with Manpower in reporting job opportunities in companies funded by department; the hon. member for Dartmouth-Halifax East (Mr. Forrestall)—Transport—Possible discussions on use of *Manhattan* to move oil through northern waters.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, private bills and notices of motions.

Mr. Blais: Mr. Speaker, I rise on a point of order. It has been agreed that for private members' business we will proceed to private bills and to Bill S-30 which stands on the order paper for Thursday, February 26, at page 13.

Mr. Speaker: Is it understood and agreed that the House will proceed to the consideration of Bill S-30?

Some hon. Members: Agreed.

Mr. Speaker: I understand, however, that there are some procedural arguments to be put forward in respect to the consideration of that bill.

[Mr. Andras.]

PRIVATE BILLS

[*English*]

CONTINENTAL BANK OF CANADA

The House proceeded to the consideration of Bill S-30, to incorporate Continental Bank of Canada, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Speaker: There are a number of motions placed on the order paper at the report stage the first of which is in the name of the hon. member for Waterloo-Cambridge (Mr. Saltsman).

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I rise on a point of order. If I may use a phrase our new leader used yesterday, "Here we go." That is so because at this point I suggest that all the motions appearing in the name of the hon. member for Waterloo-Cambridge (Mr. Saltsman) are out of order in the place in which they are positioned. If one consults our Standing Orders, chapter III of Standing Order 75, and bears in mind that the order paper posts these private bills under Standing Order 75 and then gives notice that there are motions under Standing Order 75, I suggest first that that is an abuse of language. All the rules under chapter XIII come under the heading of proceedings on public bills.

Then chapter XVIII appears at page 91 of our Standing Orders, and it deals with private bills. Chapter XVIII specifically states that any bill dealing with incorporation of a bank shall be a private bill, and the reason private bills dealing with the incorporation of banks or dealing with insurance companies go to the Senate first is the difficulty of incorporating them in this House, or proceeding with them in this House and getting them before this House for consideration. There used to be so many private bills here with regard to divorces which were dealt with in this chamber, that a private bill to incorporate a bank just could not be considered. So the procedure always was in reverse.

I suggest that the chaptering, paging and numbering of our Standing Orders has meaning and relevance. I think it is quite wrong to consider a bill which comes down the route from the other place, a private bill sponsored in this House, coming through the private members' channels, being considered in committee, coming back and then suddenly appearing under provisions which deal with public bills. I suggest that that is wrong. There is Standing Order 75(5) under which we are alleged to be working with the amendments put forward by the hon. member for Waterloo-Cambridge. The procedure at this moment under which Your Honour is proceeding is 75(8), but of equal import is Standing Order 109, which is found in chapter XVIII, and I cite it as follows:

> No important amendment may be proposed to any private bill in the House unless one day's notice of the same has been given.

I agree that the hon. member has conformed to notice, but under a heading dealing with public bills and rules of procedure purporting to deal with public bills. I remember the hon. member for Timiskaming (Mr. Peters) many years ago, when a bill was coming down the pipe from the Senate and there was an amendment suggested which

went to the heart of the bill, quite successfully utilizing what is now Standing Order 109 in order to block the amendment, as he quite properly was entitled to do. This is quite a meaningful amendment, but Standing Order 109 says that no important amendment may be proposed to any private bill in the House unless one day's notice of the same has been given. I also draw to the attention of the House Standing Order 116 which provides:

Except as herein otherwise provided, the Standing Orders relating to public bills shall apply to private bills.

However, our Standing Orders do apply with regard to amendments to private bills; therefore, Standing Order 116 is exhausted and cannot be used to bring in Standing Order 75(5), which apparently someone thinks is the procedure. What we have before us is a committee report and the motion should be as to the acceptance of that committee report with any rights of debate or amendment, which I do not think exist, at that time for the adoption or the rejection of the report. What the hon. member is trying to do indirectly, he cannot do directly: he is trying to kill the bill.

● (1710)

An hon. Member: Oh, no!

Mr. Lambert (Edmonton West): He is trying to kill the bill, because his second amendment deletes any reference to provisional directors, which is required under the Bank Act. He moves to delete the whole of clause 2(2) which names by reference the provisional directors and a number of other things. I suggest that the only avenue open to the hon. member is not putting down those amendments, but to vote against the motion to adopt the report, and at a latter stage, at third reading—if we reach that—then the hon. member is limited to third reading amendments and recommitment with a recommendation. Then he can draw up all the amendments he wants.

Mr. Peters: Why do we have report stage, then?

Mr. Lambert (Edmonton West): The hon. member asks why we have report stage, but he is confusing it with the procedure on public bills. Our rule book has particularly divided chapters, some dealing with public bills and some distinctly with private bills. I ask, why proceed, under public bills, with a private bill? My final argument is that if we are proceeding with a private bill under the public bills section, then the government should adopt the bill because public bills, if they are of this nature, and government bills should appear under government orders, not in the Thursday afternoon slot every second week. This is the point I want to have clarified.

It has been pointed out to me that there have been previous occasions on which a private bill has been proceeded with under the report stage procedure. That was Bill S-7, in February, 1969; and Bill S-6, on February 13, 1969, to which the same hon. member put down an amendment that clause 1 of the said bill be deleted. I recall the incident, Mr. Speaker. It was soon after this new procedure had been adopted. With the greatest respect, the Table and the Chair misled themselves in that the bill in each case was a one-clause bill, as I recall it. One was providing a French name for the Canada Trust Company, and the other concerned its affiliate, the Huron and Erie Mortgage Corporation. Those amendments were put down in the name of the hon. member for Waterloo-Cambridge.

Mr. Knowles (Winnipeg North Centre): Seconded by the hon. member for Timiskaming (Mr. Peters).

Mr. Lambert (Edmonton West): There was one reason why the amendment should not have been accepted. The amendment was an expanded negative. The alternative was to vote against the bill, because deleting the one and only clause in the bill was, of course, negating the bill. It was an expanded negative and should not have been accepted. I say, with the greatest respect, if this is to be the principal precedent on which this present procedure is founded, then it is extremely thin ice on which to walk. I think it must be established once and for all that there are rules for public bills and rules for private bills. Each must be respected and they must not be confounded. With the greatest respect to all, sir, it is my view that they have been terribly confounded on this particular occasion.

Mr. Speaker: Order, please. Before hearing the hon. member for Winnipeg North Centre (Mr. Knowles) I want to be clear that we are not dealing with an argument about the individual motions themselves, which were referred to by the hon. member for Edmonton West (Mr. Lambert) in his presentation, as attempting to do indirectly what the hon. member could not do directly; that is to say, indicating they were in fact negativing the provisions of the bill rather than voting against it.

That may be an argument when the House moves to individual motions, but I take it that is not the point at this moment. The procedure which is being proposed by placing the motions in the name of the hon. member for Waterloo-Cambridge (Mr. Saltsman) on the order paper pursuant to Standing Order 75(5) is the procedure used in public bills for report stage after consideration by committee. The point made by the hon. member for Edmonton West is that that procedure ought to be followed on public bills and not on private bills.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, even though I disagree with the hon. member for Edmonton West (Mr. Lambert), I appreciate the clear way in which he has stated his case and I appreciate also the fact that he has forced us to consider the very point that Your Honour has now identified. At this point the hon. member for Edmonton West is trying to argue that it is not open to a member of this House to put down report stage amendments to private bills. I disagree with him thoroughly and I thank him for drawing attention to the Standing Orders and citations and precedents—which I think are on my side of the argument rather than his.

As for the argument that Standing Order 75 is in chapter 13 of the book which is headed proceedings on public bills and that therefore you cannot use any of the rules or rights in that chapter on private bills, may I point out there are all kinds of rules all though the book that are not repeated in the chapter on private bills. There is no repetition of the rule about 20-minute speeches, voting procedures or any of those things. They do not need to be repeated. As a matter of fact, I do not think the chapter headings can be used to any great extent at all as to what is meant. The very

Standing Order that the hon. member quoted, namely, Standing Order 116, the last one in the book, it seems to me was put there to answer the very point the hon. member is now raising. It says, in very clear language:

Except as herein otherwise provided, the Standing Orders relating to public bills shall apply to private bills.

If it were not a tradition around here that when you have an argument you develop it and use all the words you can think of, perhaps I should sit down on that point. Standing Order 116 says that the rules of chapter 13 apply.

● (1720)

Mr. Lambert (Edmonton West): It says "except as herein otherwise provided."

Mr. Knowles (Winnipeg North Centre): But there is no provision in the chapter on private bills which says that the rules regarding report stage amendments do not apply to private bills, any more than there is a provision in chapter 18 which says that the rules on 20-minute speeches do not apply. You do not have to repeat all of the rules in every chapter. I suggest it is clear that unless there is a rule somewhere that says there shall be no report stage amendments to private bills, report stage amendments are in order by virtue of Standing Order 116 and also by virtue of the language in Standing Order 75, which in all its parts refers to bills. Also, the standing order does not talk about public, private or government bills; it says "bills".

By the way, is my hon. friend going to make a distinction some day between public bills and government bills? When a private member has a public bill before the House, it comes under Standing Order 75 and a report stage amendment can be moved with respect to it. Likewise, a government bill is brought back at the report stage. Government bills are brought back subject to report stage amendments, and I have not heard anyone say, "It is a government bill and you cannot do this, because report stage amendments are provided in chapter 13, which has to do with proceedings on public bills."

Sir, you have identified this as the important point. It seems very clear. I am surprised that my hon. friend quoted Standing Order 116. I think the whole case is right there. By the same token, I was surprised that he quoted the precedent of February 13, 1969. The bill before the House then was Bill S-6, an act respecting the Canada Trust Company. It was a private bill. It had been through committee and was brought back for the report stage, as all bills must be. There is nothing in the chapter on private bills which says that private bills must be put through the report stage. You do not need that. That provision is in other parts of the Standing Orders.

On that occasion, the hon. member for Waterloo-Cambridge (Mr. Saltsman) put down his report stage amendment. At the moment we are not discussing what that report stage amendment was. He did put it down. It was seconded by my colleague, the hon. member for Timiskaming (Mr. Peters). The then hon. member for Grenville-Carleton—not the present House leader for the Conservatives, but the hon. member from the other side who has gone to his reward on the bench—raised a point of order against the amendment. Mr. Speaker Lamoureux had trouble with it and admitted he saw difficulty. He said,

[Mr. Knowles (Winnipeg North Centre).]

"Suppose there is a three-clause bill and three different members put down three report stage amendments to delete one clause after the other: there would be difficulty."

Mr. Speaker Lamoureux said that the matter gave him great difficulty, and then said that he could not see how he could deny the procedural admissibility of the report stage amendment. My friend from Edmonton West tried to argue that the ruling was wrong; that the Chair and Table were wrong. He has argued that before. I sometimes think the Chair and the Table are wrong, but, I am smart enough not to say so. I rely on the good judgments of the Chair and the Table. The fact is, there is a precedent. It was allowed, and not just by chance. There was argument, Mr. Speaker saw the problems, admitted it was a new situation created by the rules we had passed only a few months before, but admitted the report stage amendment to that private bill as in order.

On the notice paper of that day there was another amendment, also in the name of the hon. member for Waterloo-Cambridge, to Bill S-7, an act respecting the Huron and Erie Mortgage Corporation. I do not know what happened to it, whether it was reached or not. On May 28, 1971, a report stage amendment was put down by Mr. Skoberg, the then member for Moose-Jaw, to Bill S-12, an act respecting Canada Del Rio Oils Limited. I have not had the opportunity to check what happened to these amendments. But in the one instance, when an hon. member questioned whether there was this right to put down report change amendments, it seems to me that the ruling made was correct.

I go back to the question to which you asked us to address ourselves, Mr. Speaker, the question the hon. member for Edmonton West has raised. We have provided for a report stage; we have provided for report stage amendments. Nowhere in the book have we said that report stage amendments apply to only one class of bill. No. They apply to private members' public bills. That has not been questioned. They apply with respect to government bills. That has not been questioned. In the one instance to which I alluded, that right has been applied to a private member's private bill. Whatever Your Honour may have to say later about the subject matter or content of some of the amendments, the question we must consider is very simple: Does the hon. member for Waterloo-Cambridge have the right to put down a report stage amendment to a private bill? It seems to me the answer to that question is beyond doubt.

Mr. Lambert (Edmonton West): Mr. Speaker, would the hon. member permit a question, for clarification? Can the hon. member clarify the apparent conflict between Standing Order 109 and Standing Order 75(5), (7) and (8)? The conflict is this: Standing Order 109 mentions "important amendment". Presumably, there are unimportant amendments to private bills which can be in manuscript form. Yet Standing Order 75(5), (7) and (8) indicates that notice is required and that only those amendments may be debated with respect to which 24-hour notice has been given. How can the hon. member explain this conflict?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I was mystified at the hon. member's raising that argument in his principal submission. I see no conflict. Standing Order 109 speaks of an important amendment. I ask, who moves an amendment that is not important? The Standing Order says that one day's notice of such an amendment must be given. The various subsections of Standing Order 75 say the same, that there must be one day's notice with respect to report stage amendments. The hon. member for Waterloo-Cambridge gave that one day's notice. He gave it to the Table yesterday and the amendment is printed in today's order paper. I may be slow, but I see no conflict. Both Standing Orders say the same.

Mr. Lambert (Edmonton West): What about unimportant amendments?

Mr. Speaker: Order, please. We must be clear. I understand the argument of the hon. member for Edmonton West (Mr. Lambert), but there is one point on which I should like to receive further comment. It was my impression that Standing Order 116, in which there is no provision for the elimination of the report stage, would apply. The argument of the hon. member for Edmonton West is that Standing Order 116 is ruled out because it uses the words, "Except as herein otherwise provided." Standing Order 109 makes a provision with respect to notice of amendments that is different from the notice required with respect to report stage motions. It seems to me that the difference, if any, is one of notice, not of procedure.

It may be argued that there is some conflict with respect to Standing Order 109. There may be some argument as to whether at the report stage, if there is one, a member is bound to give 48 hours' notice or only 24 hours as contemplated in Standing Order 109. That question involves only a question of notice.

There is another difficulty to which hon. members have not addressed themselves and about which we must be clear. At the report stage we deal with motions, not amendments. That point has not been touched on. The intent of a motion may be to alter a bill. The fact is, these are not amendments; they are motions. We must make that clear distinction.

● (1730)

Mr. Knowles (Winnipeg North Centre): May I suggest we are dealing with a problem similar to the one the hon. member for Edmonton West raised when he opened up the question of chapter titles. Perhaps the motion put down by the hon. member for Waterloo-Cambridge should have been listed on the order paper under some heading other than Notices of Motions pursuant to Standing Order 75(5). Maybe it should have been put down under the terms of Standing Order 109. I do not find any greater difficulty there than I do about those chapter titles generally.

There is no doubt that under S.O. 109, if it is an important amendment—and they are all important—24 hours' notice is required. Mr. Speaker, the necessary 24 hours' notice was given yesterday in writing to the Table. The item appears in print; it is on the order paper. Surely it is not invalidated if it has been placed under a heading which does not altogether attach to it. It seems to me that if we go back to the original proposition, namely, that any bill is subject to a report stage amendment—I am thinking now of Your Honour's distinction between an amendment to a bill and an amendment to a clause in a bill—if any bill is subject to a report stage amendment, then private bills are covered, and my hon. friend has met the relevant provision by giving notice under 75(5).

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to take part in this very important procedural debate dealing with the amendments moved by my hon. colleague for Waterloo-Cambridge (Mr. Saltsman) to Bill S-30. I was impressed by the arguments of the hon. member for Winnipeg North Centre (Mr. Knowles) who referred to Standing Orders 109 and 116. Mr. Speaker, having heard your own arguments in reply to that intervention, it seems obvious that the hon. member for Waterloo-Cambridge has the same right as any parliamentarian, namely to take an active part in presenting the amendment if he so wishes, and he may do so at any stage of the bill. That is the case of Bill S-30.

The subject of the amendment is of no consequence at this point. The fact remains that Standing Order 109 stipulates that an hon. member cannot move an important amendment to a private bill, in the House, unless he has given one day's notice.

That is how I see it, and so does the hon. member for Winnipeg North Centre, according to his testimony.

This is perfectly in keeping with Standing Order 109. As far as Standing Order 116 is concerned, it says the following:

> Except as herein otherwise provided, the Standing Orders relating to public bills apply to private bills.

Mr. Speaker, this means that the hon. member for Waterloo-Cambridge (Mr. Saltsman) is entirely right in introducing an amendment at this stage of the study on Bill S-30. Otherwise, Mr. Speaker, the result would be that the report stage for the study of this kind of bill would not exist at all. If an hon. member cannot put forward an amendment at the report stage of such a bill, it means this stage simply does not exist. Therefore, Mr. Speaker, I would ask you, with all due respect, to quote the Standing Order which would enable you to assert that, in effect, this stage does not exist. If it does, this means that the hon. member enjoys the same rights for this kind of bill as for a government bill. This is the essence of Standing Order 116.

Standing Order 116 is a basic protection for hon. members whether they are backbenchers, opposition or government members, in that sense that they can participate in the study of legislation and this means that not only can they speak on it but also bring forward amendments.

At that stage we run across Standing Order 109 which states that in this particular case a major amendment cannot be brought to the House unless notice has been given 24 hours before, a rule which the hon. member for Waterloo-Cambridge complied with. In other words, Mr. Speaker, your decision is extremely important. If you deny

the hon. member for Waterloo-Cambridge the opportunity to oppose this bill in any manner through amendments, regardless of their contents since it would be another matter, that means you are giving a member the right to intervene at the report stage. For us, Mr. Speaker, this matter is paramount and deserves our consideration for an additional reason and this constitutes my second point which I wish to bring up before concluding.

Right now, we are not dealing with just any bill, we are dealing with a bill which will make it possible for the IAC finance company to become a chartered bank. As everybody knows, chartered banks will be reviewed soon. It is a study undertaken every ten years and referred to Parliament. It is an open secret that this bill clashes with the Bank Act on at least 16 specific points. We can, Mr. Speaker, even if this is not the substance of this argument, prove that Bill S-30 is an exception, and I repeat an exception to the Bank Act on at least 16 points. And Again I refer to the Standing Orders. This bill is out of order. A member, such as the sponsor of this bill, cannot introduce in committee a bill which goes beyond the law. In our opinion, Bill S-30 is a derogation to that rule. It provides preferential treatment for the Continental Bank.

Mr. Speaker, on several occasions my Social Credit and New Democrat colleagues have tried during the consideration of such bills to introduce amendments which were called out of order by the Speaker because they went beyond the scope of the bill. Now Bill S-30 goes 16 times farther than the Bank of Canada governing the chartered banks. It is an exception. This bill—and this is my last argument Mr. Speaker—is especially important because if it were passed today and that tomorrow we were reviewing the Bank Act and the Bank of Canada Act, we would have to take into account in such a revision the decision taken today about Bill S-30, since despite the amendment to be introduced, those 16 exceptions would have to be included. Morever my comments were included in the arguments brought forward by the hon. member for Waterloo-Cambridge.

Mr. Speaker, for this reason your decision is extremely important since, first of all it might be interpreted as a way of disregarding a member's right to take part in a debate at the report stage and, second it enables any member to move an amendment which will be placed at any time within the framework of a public bill and in this sense, Mr. Speaker, we will reverse all precedents.

That is why I believe, given the importance of the subject concerned as well as the sound arguments made by the hon. member for Winnipeg North Centre (Mr. Knowles), and the content of Standing Orders 109 and 116 with which the hon. member for Waterloo-Cambridge complied very well, and given the precedents on which this House has taken a stand for hundreds of years—thousands of years, if I refer to the slowness of some of our procedures—Mr. Speaker, I sincerely hope that the hon. member for Waterloo-Cambridge will be entitled to move his amemdments.

As for the content of the amendments that is an entirely different story. At that time, it will be possible to consider them by seeing how far Bill S-30 goes.

[Mr. Fortin.]

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, this is the first time I take part in a procedural debate, and I hope you will excuse me should I experience difficulties in expressing my views. But I will try to say properly what I have to say.

In my opinion, there is no problem as regards the interpretation of Standing Order 116. I quote:

> Except as herein otherwise provided, the standing orders relating to public bills shall apply to private bills.

Now, Standing Order 75(5) provides, I quote:

> If, not later than twenty-four hours prior to the consideration of a report stage, written notice is given of any motion to amend, delete, insert, etc. . . .

Then, in the present case, we can expect Standing Order 75, but this does not solve the problem of Standing Order 109 as raised by the hon. member for Hamilton. Then, we get to a point which, in my opinion, was not sufficiently discussed, that is: what is an "important amendment"? Why have this small book's authors used the terms "important amendment"? Has this ever been defined by anyone? I do not know.

In my opinion, there should be once and for all a definition of what exactly is an "important amendment" as mentioned in S.O. 109. I submit respectfully, whatever that is worth, that an important amendment would be one which relates to the very integrity of a bill in its wholeness and in its substance. For example, we would have an important amendment if, on third reading, we had an amendment to give a bill a six months' hoist or an amendment to send back a bill to a committee for a new study, or some amendment of this kind, but not a motion as defined in S.O. 75(5). That would be a motion to amend a part or a clause or a subclause of a bill.

In my opinion, S.O. 75(5) applies in this case because of S.O. 116. And since in the chapter on private bills there is no section which stipulates explicitly that S.O. 75(5) does not apply, S.O. 109 would thus have been included by the authors of our Standing Orders to cover precisely those cases where there is a special amendment, an "important amendment", which relates to the very substance of a bill in its integrity, namely, an amendment which would give the bill a six months' hoist, or have the bill examined anew in committee.

● (1740)

[*English*]

Mr. Lambert (Edmonton West): Mr. Speaker, on the second point that Your Honour raised, the problem I am facing is that under Standing Order 75(5), 75(7) and 75(8) no private member, other than one who has given notice of a motion under 75(5), may make a motion during the debate. There is the exception that he may make a subamendment to an amendment made within the 24 hour time limit.

To turn to Standing Order 109 dealing with private bills, the hon. member for Lafontaine-Rosemont (Mr. Lachance) referred to what is an important amendment and what is not. Under Standing Order 75(7) amendments can be of a consequential nature arising out of another amendment that has been carried, but must be moved by a minister of the Crown on a government bill. There is no provision

whatsoever, in the case of a private member's public bill, for making amendments that are clearly consequential. The note clearly explains the relationship to public bills only.

If Standing Order 109 is to mean anything, it means that there are two categories of amendments, important amendments and ones not so important. Therefore since notice is required of important amendments, obviously no notice whatever is required of unimportant amendments, not even 48 hours' notice. It is that problem which is at the root of it. There may be a conflict in our rules.

With regard to the second point to which you adverted, Mr. Speaker, as to whether these amendments are in order having regard to the motion being put, it is my understanding that the motion the Chair will now be putting is the adoption of the committee report. My memory may be at fault, but if the motion to the House is that the committee's report be adopted, I find it extraordinarily difficult for the hon. member for Waterloo-Cambridge (Mr. Saltsman) to come up with a single amendment which attempts to modify a clause of the bill. It does not attempt in any way to modify the report.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I make a brief comment?

Mr. Speaker: By rotating again and again we are really inviting an endless discussion, and I do not want to do that. This is an important procedural point and I do not want to shut anyone off, but neither do I want it to be an open-ended debate.

Mr. Knowles (Winnipeg North Centre): I quite agree with you, Mr. Speaker, and I shall be quite brief. The hon. member for Edmonton West a moment ago said that the motion the Chair should be putting is a motion for concurrence in the report. I submit that under Standing Order 75(4) that happens only when it is consideration of the report stage of a bill from committee of the whole. There can be no report stage debate at that time, and the motion is put immediately.

But if the hon. member would turn to Standing Order 75(12), he will see that provides:

> When proceedings at the report stage on any bill have been concluded, a motion "That the bill, as amended, be concurred in" or "That the bill be concurred in" shall be put and forthwith disposed of, without amendment or debate.

It seems to me that this is really begging the question and we are back to the question Your Honour posed some time ago, namely, does the hon. member for Waterloo-Cambridge have the right to make report stage amendments to a private bill? If he has, then those motions have to be put before you put the motion for the adoption of the report.

One other comment that the hon. member for Edmonton West made in his recent submission was that the way this is set up only the hon. member who put down the report stage amendment can now make one. That is true. But every one of the 264 members of the House has the right to put down report stage amendments. This is why we have rules that permit Your Honour to combine them, and that sort of thing.

I come back again to the question of what is important. That word does seem to be giving us some difficulty. I suggest that unimportant amendments are really just amendments to form, to take out a comma, to unsplit a split infinitive, or something like that. Any amendment with any substantial meaning to it would have to be treated as an important amendment. From my point of view in this whole argument, I would come right back to the original position that I took, which is that the right to move report stage amendments applies to all classes of bills. Nowhere is there a provision in the rule book which provides that they do not apply to private bills. Therefore my answer to the initial question from the Chair is that there is a right to move report stage amendments to a private bill.

Mr. Reid: Mr. Speaker, I just want Your Honour to note that I have a point of order dealing with the acceptability of these amendments, both individually and collectively, in the form of an expanded negative. I wonder whether Your Honour would recognize me after you have settled this point of order.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to raise two points and I will be very brief. First I would like to refer to Standing Order 75(5) which provides that a written notice of any motion to amend be given at least 24 hours prior to the consideration of a report stage and be printed on the order paper. This has been done by the hon. member for Waterloo-Cambridge (Mr. Saltsman).

I would like to remind you as well of the statement the hon. member for Edmonton West (Mr. Lambert) who, I believe, does not understand the Standing Orders, because this has nothing to do with a minister of the Crown.

The question is whether a member of parliament, from whatever side of the House, is allowed to intervene at report stage.

Mr. Speaker, as I have already said, this is a fundamental question. Otherwise, depending on your decision, the questions whether we are really going to decide on the report stage and on the right of member of parliament, or whether we are going to abolish purely and simply the report state for this category of bill.

● (1750)

[*English*]

Mr. Speaker: Order, please. The hon. member for Edmonton West (Mr. Lambert) has put forward a very fascinating argument about the validity of in fact having a report stage in respect of private bills or private members' private bills.

The analogy, if it were not expressed in Standing Order 116, would probably be understood in any case, but in order to make it perfectly clear, Standing Order 116 says, and it has been referred to many times, that except as otherwise provided the provisions of the Standing Orders as to public bills apply to private bills. If that Standing Order were not there it might be interesting to note that there would, I suppose, be no regulation which would say that a private bill has to be read a first, second, and third time, that there are restrictions on second reading amendments, that the bill can only be amended in detail when it gets to the

standing committee, and that the stages of the bill can only be taken on different days without leave, and so on.

The fact of the matter is, in other words, that there is no specific provision that I can see, as I have been scanning through the arguments and research dealing with private bills, which would provide for the regular and orderly dealing with private bills. It is done only by virtue of the fact that all of those regulations which apply to public bills have to apply to private bills as well. Since that sets up the first reading, second reading, and third reading stages of the bill it would seem to me to be unacceptable to argue that it would not apply to the report stage of the bill in the same way.

If by analogy, therefore, private bills proceed from one stage to another because of Standing Order 116 making applicable all of the rules in respect of public bills to private bills, surely that must also apply to the rules as they relate to the report stage unless, of course, there is some provision which indicates that report stage is not at the disposition of the member. I think this is the point. It is not a question as to whether the report stage follows automatically.

What we are dealing with here is whether hon. members ought to enjoy the same privileges under Standing Order 75 relating to report stage amendments with private bills as they do with public bills. It is a question of the right of the member. A member, it would seem to me, has the right as given to him by Standing Order 116 in every way to put down notice to require a report stage, to require 48 hour's notice between the placing of the bill on the order paper and the beginning or report stage, and 24 hours' notice of any amendment to be given. In order to take that right away from members it would seem to me there would have to be very clear authority somewhere for it.

The hon. member alludes to the fact that Standing Order 116 only applies except as herein otherwise provided, and refers to Standing Order 109, which is a notice provision requiring 24 hours' notice of an amendment. The fact is I must take that only as a requirement as to notice and not as to substance. Besides that, it is exactly identical to the 24 hours' notice requirement in respect of a report stage amendment, and therefore it can scarcely be taken as a departure from the Standing Orders as they relate to report stage amendments.

I therefore must conclude that since Standing Order 116 is really the only authority for setting up all of the other stages and prescribing the manner in which to deal with private members' bills, I have to accept that the same Standing Order provides in exactly the same way for the report stage of private bills as it exists in fact for public bills.

Mr. Knowles (Winnipeg North Centre): Six o'clock.

Mr. Speaker: Order, please. The hon. member for Waterloo-Cambridge (Mr. Saltsman) has given the Chair notice of his intention to raise a point of order in respect of another matter. Am I correct in that? Perhaps we should clarify this. In addition to the several motions for amendments, I should say to be correct on this, that the hon. member puts forward, he also wishes to raise a general point of order about the procedural regularity of the bill.

[Mr. Speaker.]

The hon. member for Kenora-Rainy River (Mr. Reid) has also indicated he has a procedural argument to make.

It is now close to three minutes to six o'clock. It is obvious there is going to be much more said about the procedure in respect of this bill. Frankly I would be reluctant now to open up a new point, allowing three or four minutes on it, and attempting to pick up the thread a week or two weeks from now, as the case may be. I therefore must ask the indulgence of hon. members in calling it six o'clock.

Mr. Blais: Mr. Speaker, I rise on a point of order. I know it is approaching six o'clock but it is my information that the House leader wanted to seek the consent of—

Mr. Knowles (Winnipeg North Centre): I think this is being done behind the curtains; is that not right?

Mr. Paproski: Yes, I think it is being negotiated right now. We should be hearing during the dinner hour whether there has been a decision to bring in a verdict.

Mr. Blais: I understand there are negotiations proceeding now; therefore we can call it six o'clock.

Mr. Speaker: Order, please. It being six o'clock, I do now leave the Chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Speaker: Order, please. The President of the Privy Council (Mr. Sharp) on a point of order.

Mr. Sharp: Mr. Speaker, there have been some discussions among representatives of the parties and I ask whether there would be leave to return to statements by ministers so that my colleague, the Minister of Finance (Mr. Macdonald), could make a statement.

Mr. Baker (Grenville-Carleton): Mr. Speaker, discussions have taken place and we are agreeable.

Mr. Knowles (Winnipeg North Centre): Agreed.

ROUTINE PROCEEDINGS

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—STATEMENT ON PROPOSED EXPORT LEVY

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker—

Mr. Paproski: Are you really going to resign?

Mr. Macdonald (Rosedale): Mr. Speaker, I will have to disappoint the hon. member for Edmonton Centre (Mr. Paproski). I will start off, however, by congratulating him on his appointment. This is indeed evidence that the meek shall inherit the earth.

I should like to make a brief statement this evening on the subject of the export levy which is one of the measures the government proposed last fall as part of the anti-inflation program.

As hon. members are aware, the proposed features of this levy were tabled last December 18, and consultation on the measure was invited. Since that time the government has received representations from many interested parties, both about the general nature of the levy as well as its precise details. In particular, the matter was discussed extensively at the meeting with provincial finance ministers on February 2, and I undertook at that time I would reconsider the levy and discuss it further with my colleagues in the federal cabinet.

As members will recall, under this proposal exporters would remain free to sell at international price levels so that Canada would gain the full advantage of any increase in the value of Canadian products on world markets. In the interest of equity, however, it was also proposed that any profits of Canadian exporters, in excess of the guidelines applying to firms selling in the domestic market, would be subject to a special levy. Up to 90 per cent of the levy could be refunded to companies to help finance new capital investment in productive facilities and other specified projects.

From the standpoint of equity the government felt that with respect to the work force of exporting firms or with respect to firms in Canada which sell only to the Canadian market, both of which would be subject to restraints under the control program, that some balance was necessary with respect to exporting firms which, if uncontrolled, would have the possibility of achieving substantial profit increases during the control period. While it would be difficult to achieve an exactly balanced treatment it was felt that the levy would at last provide a more even treatment as between exporting firms and others in Canada who are subject to the restraint program.

[*Translation*]

The foregoing argument has not commended itself to a majority of provincial governments in Canada who are representative of all parties and all regions. At the Federal-Provincial Conference and since, several provincial governments have expressed to me their concern that the export levy might discourage the initiative to achieve greater exports from Canada at a time when the revival of Canadian export sales is of critical importance to regional and national economy. They expressed the concern that the levy could add further uncertainly to investment decisions in Canada and might discourage new capital investment. This despite the provision in the proposal for refunding excess profits for the purpose of investment. Cleary any measure that might have an adverse impact on further investment in Canada or might check our pursuit of markets abroad would not be in the interest of anyone, neither exporters, their employees, governments, nor consumers.

[*English*]

I therefore wish to announce the government's decision not to proceed with the export levy measure.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): However, the Anti-Inflation Board will be asked to monitor profits of exporting firms and, where excess export revenues are generated the way in which they are re-invested. If there is evidence of excess export profits and evidence that they are not being re-invested, the matter will again be reviewed by the government.

● (2010)

I would interpolate here another comment, that contrary to the opinion that has been expressed in the House with respect to the possible diversion of investment from Canada if the export levy should take place, one provincial government at least has expressed concern lest export profits not subject to the levy might be diverted to investment outside the country. I would say in respect of that particular concern that the Anti-Inflation Board and the other agencies of government will monitor with particular care the fact that the relief of export profits from this particular measure should not result in investments taking place outside Canada.

At the same time the government will follow developments in the Canadian economy for signs of diversion of goods to export markets at the expense of adequate domestic supply. There is little prospect of this developing in the near future in view of the extra productive capacity available in most sectors, but the government will be prepared to act if special situations arise.

In view of the fact that the existing anti-inflation regulations had anticipated the introduction of an export levy, a number of consequential amendments to the regulations will be required. In particular, export sales will generally be exempt from the domestic guidelines; however, where a firm voluntarily cuts back on supplying its Canadian customers in favour of foreign customers, the diverted export sales will be regarded as resulting in excess revenues and will be viewed as a contravention of domestic guidelines.

As I have had the occasion to state many times both inside and outside the House, we believe that the application of the anti-inflation program should be as responsive as possible to the concerns of the provincial governments which are participating in the program and to all those in Canada who will be affected by it. Recent developments have indicated that there are other areas of the program which also require some important change, particularly the need to ensure that people's rights remain fully protected. These issues are now under review, and I hope to be able to report to the House within the next week or two on a number of other changes which will further improve the operation of this program.

May I express my thanks to the House for the opportunity to make my statement at this time.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, if I may be forgiven some expression of humour here to

consider the rather ludicrous situation in which the government finds itself, let me remind the House of the time in the spring and summer of 1974 when the minister and his colleagues, under the brillant leadership of the Prime Minister (Mr. Trudeau), said precisely that a program of price and wage controls would be one of trial and error, that it would cause all sorts of problems in the country, and that we could not afford to put it into operation. We have got it now and we are experiencing those same controls.

I also had not only to smile but to laugh at the hon. member for Nipissing (Mr. Blais) who was striking his desk, beating a seal-like tattoo on it, when the minister announced that he was withdrawing this particular export tax. He reminded me of the man who finds pleasure in no longer feeling any pain because he has stopped butting his head against a stone wall.

Basically I can sympathize with the minister—there is no doubt about it. I think any of us who were advocating wage and price controls or an incomes policy in 1974 were quite conscious of the fact that there would have to be some changes because there was no one who could forecast precisely what would happen. However, I suggest that there would have been a difference of approach which would not have caused as much difficulty in the Canadian economy, and such resentment by provincial governments, particularly with regard to the proposed export levy.

Any firm that was engaged in the export of Canadian commodities immediately reacted and said that these people opposite have taken leave of their senses, as indeed they have, when we consider that Canada's deficit balance on commodity exchange was not plummeting downward but was skyrocketing, if one can imagine a deficit skyrocketing. It is going to be worse in the next fiscal year because we have seen extraordinarily long strikes in the forest industry, particularly in the pulp and paper industries which were contributing so much toward our export totals. We are going to see a much wider gap between exports and imports.

The government should have known this in October. It should have known that there might be some sort of an attraction to divert goods from the domestic market to the export market. I suppose that under certain ideal conditions one could argue that this might happen, but there is not a person in the House, particularly on the government side and among any of their supporters, who could say that there is any commodity in Canada today that is in such tight supply that a diversion of any amount of it to a favourable export market could result in an increase in price to Canadian consumers under a demand pull influence in the market, the traditional inflationary demand pull. The thinking behind that was totally confused, yet it was the basic premise with regard to this proposal. I dare say that some people said, well, there is a tight market with regard to paper, and if the market in the U.S. or overseas continues to be good, we will send paper there, and there will be an increase in price or a blackmarket for it in Canada.

Some other people, again unthinkingly, because I do not think they realize just what controls apply, may have thought that with a forecasted possible shortage of petroleum products it might be more attractive for the Canadian refining industry to send refined products south to the U.S., and that there would be either an increase in price due to the pressures of demand in Canada or there could arise a blackmarket with regard to petroleum products. There again they failed to take account of the day-to-day effectiveness of the Energy Resources Board of the province of Alberta which monitors the production and shipping of petroleum products out of the province, the effectiveness of the National Energy Board, and of the export tax which already exists on both crude oil and refined products destined for the United States. Therefore this export levy proposal had no justification whatsoever, and it never did.

It would have been far better for the government to have gone ahead with a freeze for 60 days or thereabouts. As the minister himself said that we are going to see some other changes. There will be some more backing and filling, which would have been unnecessary had the government proceeded with a freeze for 60 days, and consultation with the provinces within that period. It would have seen that most of the provinces thoroughly dislike and do not agree with the export levy. Then members of the government could have taken other and necessary steps. They would not have had to eat crow on this particular proposition if there had been proper consultation first. Wage and price controls across this country are not entirely a federal responsibility, but the federal government, on I do not know whose foolhardy policy, went ahead and tried to go it alone hoping it could drag the provinces along. That is the general attitude of the government, but that is not the way to do things. If there had been proper consultation with regard to wage and price controls we would be ahead of where we are now.

● (2020)

The minister talked about monitoring the sale of goods here in Canada and setting up domestic guidelines on goods sold in the foreign market. This is a proposal to tax additional profits of Canadian businesses working in a foreign market where Canadian economic conditions do not set the price, with the exception of the cost of production. And if our goods have a competitive edge in a foreign market which is going ahead on an inflationary basis, and our dollar return because of advancing prices in that country is higher, what right does the government have to tax and why should the government tax those additional profits on business not accomplished here in Canada? Why?

We have a tough enough time as it is working in the foreign market. Since when is Canadian business on a public utility basis? The bureaucrats are going to monitor all Canadian business, which is not going to be allowed to make one cent more than some backroom boys will allow, or some other people who want to tie up the economy so tight that it will crack.

I think it was salutary for the minister to come forward and admit the error on this occasion. I welcome this step, and I will welcome his statements in the future which may make the policy of wage and price controls more effective for the benefit of the Canadian economy as a whole.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my case on this subject can be made rather briefly, and I

will try to do so. I think the minister has put the program back to what it was in its general form before the special situation under the regulations was created to deal with the particular problems which arose for the first time with firms in the export market.

As I understand the regulation, the reason for its introduction and for this particular section to deal with exports was twofold. The export levy was intended to deal with profits which were going to be excessive for firms which were in the export market, on the one hand, and second, there was a desire to prevent the diversion of goods originally produced for the domestic market to foreign markets. There were anomalies which arose from the export levy, which the minister has dealt with by removing it, but by removing it we are back to square one with the two problems which existed before the export levy was introduced.

What are the consequences now of removing the levy? First, firms which are exporting have the right to go scot-free in terms of the regulation of their profits, but I remind the House that in statements, not made tonight but earlier, by the minister the employees in those companies will not be exempt from the guidelines.

Mr. Macdonald (Rosedale): I said that tonight.

Mr. Broadbent: The minister said that tonight. I read his statement quickly and did not notice that it was said. I stand corrected. He has said that employees will still come under the guidelines but the companies will not, which is at least a consistent application of the rough justice principle which goes with the rest of the program.

The second point to be made is that firms selling in the export market will have a clear advantage, from a profit point of view, over those selling in the domestic market in the same industry. In our view, and I suspect in the minister's as well, this leads to an unfair situation for many Canadian companies.

As the minister well knows, in virtually every province in Canada there are some firms which are now producing, within the same industry, primarily for the export market, and other firms producing primarily for the domestic market.

The paper industry is a good example of this. This means that companies which are producing just by chance—historically now with this program—for the export market are going to have profit expectations and the right to them which firms producing in the domestic market will not have. The minister may say that he is going to deal in some vague, unspecified way with requirements for reinvestment for those firms, but the point remains that even if the government produces at a later date some tough regulations about the necessity to reinvest in the Canadian economy the excess profits of these firms which produce for the export market, that still means they are given a financial advantage, under this program, over their domestic competitors. They will be able to use their higher profits to reinvest, and that will provide more jobs, but it also means they will have a greater opportunity for investing and expanding than their competitors who now happen to be producing for the domestic market.

The second point from a broader, community point of view, as opposed to that of the corporations themselves, is more serious. I think the hon. member who preceded me is substantially correct that in the short run, because of a world-wide recession from which we have not yet recovered, there are few opportunities for firms in Canada to divert production from the domestic market to the foreign market and make greater profits, but I submit that that is very short run indeed. This program runs until the end of 1978, and I think every corporation worth its salt in this country, after the minister made his announcement tonight, will be looking very carefully indeed at future sales abroad as opposed to sales at home. I have little doubt that, if not in a matter of weeks, at least in a matter of months we will run into some serious domestic shortages which will be the result of firms quite understandably transferring production from the domestic market to the export market.

What this will mean is the necessity for some form of export controls, and I think the minister should have said something about that tonight. If we do not have export controls, just as sure as we are here tonight we will experience severe shortages in a number of Canadian markets in the weeks and months ahead. So the problem is simply postponed by this decision. It is not dealt with at all.

I should now like to refer the minister to page 2 of his own statement. The concluding sentence of the second paragraph reads as follows:

> If there is evidence of excess export profits and evidence that they are not being reinvested, the matter will again be reviewed by the government.

● (2030)

What is the definition of "excess export profits?" The minister did not answer that. Does any company in Canada know what the definition will be? Previously, under the guidelines and in the special regulations for the export levy, that was made clear, but nothing could be as unclear as this phrase "excess export profits". It is completely undefined, Mr. Speaker, and I think that is unwise. The government should have produced more specific details along with the announced change in regulations.

If the government does take any action, however it defines excess export profit we are going to have a further example of *ex post facto* law. Companies that are now operating will gain a certain level of profit from their exports, but precisely because it has not been defined by the minister they do not know what will be seen as excess export profits and may later find that retroactive action is taken against them. I think it is extremely unwise and unfair.

Finally, Mr. Speaker, the potentially serious situation that could arise for firms which under the existing law and under certain circumstances—that is, prior to the announcement that was made tonight—were going to be permitted to charge world prices in the domestic market, should be pointed out.

I refer Your Honour to page 18 of the white paper entitled "Attack on Inflation". In the section "Exports" the following appears:

> If a firm can demontrate to the Anti-Inflation Board that it would be impractical or harmful to the national interest for it to price in the domestic market differently than in the international market, the firm

will not be regarded as having failed to follow the guidelines if it prices all its products at international prices, but would be subject to the specical levy on all its profits.

More concisely stated, this says that certain firms in Canada are going to be permitted, prior to the announced change, to charge the world price for their product. That is to say, they are to be exempt from the guidelines. The "hooker" prior to tonight's announcement was that the excess profit that might accrue from that was going to be dealt with in precisely the same way as excess profits in the export markets. That was dealt with by the special levy. The minister has removed the special levy tonight and therefore leaves this part of the program in limbo.

Certain firms are going to be permitted to charge Canadians world prices, and they are now going to be in a vacuum in terms of any regulation under the program, that is, a vacuum in terms of not having a special tax of some sort put on them to take account of the excess profit. So, Mr. Speaker, tonight we have another example of the rough justice that the minister has spoken of so often in describing his own program. I hope in his answers later this evening the minister will clarify this very important point.

The change announced by the minister has removed certain problems and certain injustices that were bound to occur from those regulations but he has put nothing in their place. The very problems about excess profits and diversion to export markets that the export levy was brought in to deal with in the first place remain, and the minister has brought in nothing tonight to suggest that the government is going to deal with them in any reasonable way at all.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, may I be permitted to ask the minister a couple of questions about his announcement. He said that he intends to monitor the industries that are both exporting their production and selling on the domestic market. Could the minister tell us how he intends to monitor industries that would divert products to the export market? This would be a great concern of many businesses, particularly the lumber and wood fibre industries. I can see a blackmarket developing in all corners of the country.

Mr. Macdonald (Rosedale): Mr. Speaker, we are talking about firms which, because of their size, would have been subject to the mandatory control provisions. Some 6,500 of those firms have been required to file regular reports with the Anti-Inflation Board with respect to their activities. Prior to this evening's announcement they would have had to make the calculation with respect to domestic and export business for the purpose of arriving at the export levy. Now they will have to make a differentiation for the purpose of determining which is export profit; therefore the Anti-Inflation Board will have the responsibility of scrutinizing those reports and comparing the historical performance of the business as between domestic and export business with the returns as they come in. The Canadian availability of products will also be scrutinized.

May I take this opportunity to indicate to the business community that if they find their suppliers are falling short of commodities it is important that this be made known to the government. In those circumstances, as the hon. member for Edmonton West commented, of course the Export and Import Permits Act would be available to exercise quantitative restrictions on exports so as to ensure availability.

[Mr. Broadbent.]

Mr. Oberle: Mr. Speaker, my supplementary question deals with the statement made by the minister with regard to his intention to monitor the profits that companies will make on the export market and whether they will be reinvested in their businesses. Must the investment be in the form of expansion of plants, or can it be in the form of retiring debt charges that the company has accumulated?

Mr. Macdonald (Rosedale): Mr. Speaker, the primary interests is in creating additional jobs and growth in the Canadian community. We will continue to be concerned to see that there will be investment in capital expansion or in some of the other goals of the government, such as better pollution control systems and energy conservation. That will be primarily the object of scrutinizing the matter. Of course it will have to remain a matter for rather more flexible scrutiny in this case since failure to carry out this kind of investment will not result in immediate levies. But if we were to find a particularly widespread diversion of funds from constructive uses for the construction of additional facilities elsewhere, we would have to give very serious consideration to whether the proposition could be brought forward again.

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, it is obvious that this export tax was an ill-conceived idea in the first place. It shows how naive the government is when it comes to knowing what our industries have to do to achieve export sales. The government should have been aiding those industries to achieve export sales instead of prohibiting them with this proposed tax.

May I ask the minister why the government proposed this tax in the first place with the resulting difficulties that have already been shown for exporting firms and when it was brought to the government's attention by the opposition some time ago that there was little support or agreement for this measure, why was it so long in making the announcement which was made tonight?

● (2040)

Mr. Macdonald (Rosedale): Mr. Speaker, I regret that the hon. member was not in the House when I made my statement, because I dealt precisely with the purpose of the export levy proposal. I take it that the hon. member and his colleagues are not concerned with the equity argument, the question of fairness as between the employees of exporting firms, and the capital of the firm. As I said in my statement, we are concerned about the inequity of employees having their compensation controlled while the firm's will not be controlled. That was the purpose for putting the measure into effect in the first place.

To be fair to the hon. member for Huron-Middlesex (Mr. McKinley) his misunderstanding of the measure has been mirrored in other sectors. There will be this difficulty with regard to inequity. As I said, we have been prepared to be flexible and seek the co-operation of provincial governments. Provincial governments representing all parties represented in this House have spoken against the export levy. We have co-operated and withdrawn it. But the

equity difficulty still remains. I hope that the hon. member and his colleagues will not raise any criticism in future if the question of equity is raised.

Mr. McKinley: Mr. Speaker, I thank the minister for his answer and clarification. My concern was for those people who have lost jobs as a result of this proposed tax. They are not worried about the Anti-Inflation Board controlling their wages, because they are not being paid any wages.

Mr. Macdonald (Rosedale): Mr. Speaker, there is no evidence at all that any have lost jobs as a result of the export levy. The levy has not yet taken so much as a nickel from any firm. What the hon. gentleman has raised, I say in all fairness, is a myth. No export business has been lost up to this point as a result of the export levy.

Mr. McKinley: Mr. Speaker, in my riding it happened.

Mr. Macdonald (Rosedale): With respect, I think the hon. member is mistaken.

Mr. McKinley: Mr. Speaker, I must tell the minister that the proposal to impose the tax did the damage, and the damage has already been done whether or not the tax was put into effect.

Mr. Macdonald (Rosedale): Mr. Speaker, I think the hon. member is misinformed on that, just as he was misinformed about the basis for the measure itself.

Mr. Broadbent: Mr. Speaker, has the minister's department looked at the industrial structure of this country, for example, firms operating in the paper, lumber and auto parts sectors, and assessed the difficulties of those industries? For example, a number of firms in each of these three named industries produced substantially for the export market, whereas other firms in the same sectors produced substantially for the domestic market. Has his department looked at this question to determine whether there will be major inequities as between firms within those industries? Has the minister looked into this matter?

Mr. Macdonald (Rosedale): Just so that I may understand the hon. member, is he talking about inequities as between firm and firm or as between a firm and its employees?

Mr. Broadbent: Mr. Speaker, I am talking of inequities as between firm and firm. I take for granted the inequities which apply to employees.

Mr. Macdonald (Rosedale): Mr. Speaker, it would be fair to say that, although we have given this question some attention, returns from industry in general indicate an almost universal request for the export levy proposal not to be carried through. I myself have seen no evidence of any one firm seeking the continuation of the export levy because it felt that, without it, it would be put in a disadvantageous position vis-à-vis any other firm.

Mr. Broadbent: I am raising a question about the existing regulations which will permit firms under certain circumstances to charge the world price on the domestic market. The government having removed the export levy, which was an instrument for dealing with the unfairness which would result from charging the world price on the domestic market, can the minister tell the House what the government plans to put in the place of the export levy?

Mr. Macdonald (Rosedale): Mr. Speaker, the kind of situation to which the hon. member refers affects the base metal industries. For example, copper is customarily sold at one North American price, and at a higher price on the London metals exchange. We anticipate that copper will continue to be sold on that two-price system, the lower price being charged in North America, in the United States and Canada, and the higher price on the London metals exchange, or in countries where the London metals exchange price applies. In those circumstances there could be an increase in the domestic price beyond the strict cost-pass through rules. In those particular circumstances there would be justification for the increased price, and it is this: In a saw-tooth market such as exists for a product like copper, the current price of about 53 cents is probably below the cost of production. The return on investment in that case is calculated over a period of years rather than during a single year. Therefore, within moderation, we would recognize that it would be reasonable to recover the higher price, even from domestic customers.

If there were a dramatic price increase because of a copper shortage—and I interpolate here to say that, at the moment, it is calculated there is a substantial inventory of copper overhanging the international market and we do not anticipate a price increase at this time—then indeed, we may be forced to adopt a two-price system or, in the case of copper, a three-price system, one price for Canada, another for North American customers, and a third for the London metals exchange.

Mr. Broadbent: Mr. Speaker, may I refer to the regulations and the definition of excess profit. I am referring to page 2 of the minister's statement for the latter definition. I take it that the government will practice a form of *ex post facto* regulation making. It will see what happens, and then it could end up taking punitive action some way down the road after the event has occurred. It will do this, apparently, instead of setting up in advance detailed guidelines, so that corporations can know in advance the rules of the game.

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. member raised the question of the definition of excess export profits. We would be looking in that case at an export profit above and beyond the sort of profit the firm in question had realized historically. Naturally not all export profits will be dealt with, only those that rise above and beyond the historic differential between domestic and foreign prices. In other words, we shall look at profits which are above and beyond those realized in an historic period.

Mr. Broadbent: Mr. Speaker, over what period of time?

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. member asks, over what period of time will this apply. I remind the hon. member that, in net profit margin cases, we are looking at a five-year average.

The hon. member mentioned *ex post facto* regulations. It will be difficult to act in an *ex post facto* fashion. If we find

that there is a widespread policy not to put profits back to work, to create jobs for Canadians, we may have to implement our policy at that time. But I think that parliament as a whole would oppose government action which would act retroactively in this regard. I take it that business will be concerned about the fact that if they fail to put that money to work for Canadians, there could be a re-introduction of the levy. I hope they will take note of this aspect of my statement this evening.

Mr. Speaker: Order, please. There is some indication of a disposition on the part of the minister to ask for the withdrawal from the order paper of the ways and means motion.

Mr. Macdonald (Rosedale): Mr. Speaker, I would be much obliged if hon. members would give their consent to the withdrawal of the ways and means motion from the order paper.

Mr. Baker (Grenville-Carleton): Is the minister referring to the one having to do with the export levy?

Mr. Macdonald (Rosedale): Yes.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

Order No. 14 discharged and motion withdrawn.

GOVERNMENT ORDERS

[*English*]

MEDICAL CARE ACT

AMENDMENT TO LIMIT ANNUAL INCREASE IN PER CAPITA COST OF INSURED SERVICES UNDER MEDICAL CARE PLANS

The House resumed from Wednesday, February 25, consideration of the motion of Mr. Lalonde that Bill C-68, to amend the Medical Care Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs, and the amendment of Mr. Gilbert (p. 11210).

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, last evening my remarks were interrupted by a knock at the door, after which Mr. Speaker and the House proceeded to the Senate.

I had been saying that the federal government had reneged on another pledge when this bill was introduced without warning. As has been pointed out, the federal government has on more than one occasion pledged that it would not introduce any changes in the cost-sharing arrangements in the absence of consultation with the provinces. How is it that none of the provinces are aware of such consultations having taken place? This is further evidence that the government only honours its agreements with the provinces when it is in its interest to do so. Instead of members of a party in one corner of this House using the bill for partisan political purposes we should be united in opposing the measure; that is the only way in which we can convince the government that we intend to throw the whole weight of the opposition against this bill and other legislation of this kind.

● (2050)

I wanted to get some first hand information on this bill from my own riding so I got in touch with a couple of doctors in my home town. I asked one of them, Dr. Dempster, what his opinion was. "There was no doubt about it," he told me by telephone, "medicare is here to stay. There is no way we can ever go back to private billing because nobody can afford to do so. We have too many doctors being paid under the scheme now. It would make us bankrupt if we had to go back to private billing."

Medicare was aimed at helping people who could not afford medical services. That was the primary reason for starting it. It is said now that doctors are seeing people unnecessarily, that hypochondriacs are coming in all the time and that they should be discouraged by the imposition of a deterrent fee. It has not been demonstrated that this, in fact, is the case. The wealthy people who could afford to pay would pay and come anyway, and if the old age pensioners and the welfare recipients, those who, by and large, most need medical care, were required to pay they would not come because they could not afford it.

The doctor went on to say that in his opinion it had not been demonstrated that the plan had been abused significantly. "I think they could probably prove or disprove this by pulling the profiles of patients with a computer", he added. It was, he said, a time for consolidation. There was no sense in each little bailiwick carrying out a research project which was never likely to be of any significance. He further stated, "There is no way you are going to back down from medicare. As far as the federal government's contribution is concerned one accepts that it is a moral responsibility, and if you accept it you have to pay for it."

I appreciate Ontario's point of view because, as one of the have provinces, they are carrying a tremendous load, along with British Columbia and Alberta. The doctors have agreed to an increase of 8.3 per cent. They are living with it and I guess they should be commended for doing so. The doctor's comment on this point is interesting: "Well, they had to, by God!" This young doctor had attended the meeting which was held in Toronto. The doctors originally wanted an increase of 35 per cent, plus other things as well. In his conversation with me, the doctor I was speaking to commended the Ontario Minister of Health. Frank Miller, he said, must be an exorcist, having succeeded in talking the meeting out of that.

Further, in conversation, he expressed the opinion there were too many doctors in Ontario now, one for every 585 of the population, whereas the accepted average was one for every 650. There were, however, shortages in certain fields. There is a shortage of phychiatrists, anaesthetists and cancer specialists. Possibly, my contact suggested, some of the younger general practitioners might specialize in those fields. This might very well be.

I am aware that there are smaller communities in northern Ontario to which it is difficult to attract doctors, ever under the provincial scheme for this purpose which ha:

enjoyed some success since it came into operation. There are many isolated communities in which doctors are reluctant to set up practice. Their wives would probably not be too happy to find themselves in remote areas isolated from family and friends and some of the amenities of life to which they are accustomed.

I also talked to another doctor, an eminent surgeon in my constituency—and a very forceful one when it comes to speaking his mind. He declared that there were too many frills attached to the medicare scheme—frills which had nothing to do with sustaining life. Too much money was spent on lab tests, repeated and repeated. These unnecessary costs were incurred by patients referred to as "doctor hoppers"—they hopped from one doctor to another. According to this doctor—Dr. Hallam—most of the money was thrown down the drain. He said it boiled down to one thing, "There are too many frills, get down to the basics." I must say, Madam Speaker, I had to edit the good doctor's words in order to get that statement printed in *Hansard*.

I was interested to listen to the speeches made in this debate by colleagues who are physicians. They are very knowledgeable on this subject and they are to be commended for the part they have taken in this debate. Those of us who represent Ontario ridings are very pleased with the standard of health care we enjoy.

Some members may recall that two or three weeks ago Senator Edward Kennedy, I believe it is, came to Ontario heading a Senate committee on health care in the United States. While there he met with our provincial minister of health, Frank Miller, and was most enthusiastic about the way in which the medicare plan was working in Ontario. They have nothing as encompassing in the United States.

About ten days ago I had the honour of having the provincial minister of health speak in my riding, in my own village of Burk's Falls—

[*Translation*]

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

The Acting Speaker (Mrs. Morin): Order. The hon. member for Madawaska-Victoria (Mr. Corbin) on a point of order.

Mr. Corbin: Madam Speaker, I would like to know whether the hon. member is in the process of defending Dr. Frank Miller or dealing with the bill now before the House.

The Acting Speaker (Mrs. Morin): Naturally, the bill deals with medical services, and it is very difficult to limit the speeches of hon. members strictly to the bill before us.

[*English*]

Mr. Darling: I am certainly not defending the Ontario minister of health. I am pointing out certain things. I admit I have more than a passing interest in the provincial minister of health, as the hon. member probably knows, because he happens to represent a part of my own riding. I am also interested in the example Ontario is showing to others. Criticisms and suggestions have been made to help cut down costs, which is what we are all interested in, without cutting down services.

● (2100)

I mentioned that the provincial minister spoke in my riding to a service club, and he pointed out there had been some misuse of the Ontario Health Insurance Plan. He had this to say:

> My individual feelings are—and they are not necessarily those of the ministry—that we are nickel and dimed to death. You cannot control this until it comes out of your own pocket. Maybe we should use the method of billing for each visit to the doctor for those that did not use the insurance; then they should get a rebate back at the end of the year because now some people are going to the doctor for no reason whatever, and this costs all of us money.

I think we will all agree with that. As hon. members are well aware, in cutting back health costs the minister has made himself unpopular in certain areas of the province because he has closed hospitals and hospital wings, a program that he says will save between $30 million and $35 million. The minister has also ordered closure of four health laboratories, in Woodstock, St. Catharines, Kenora, and North Bay which is quite near my riding. In justification of this he said that 50 per cent of the work carried on consisted of the testing of water, milk or swabs, which were mostly sent in by mail and therefore could be returned by mail. He said that the unified labs at hospitals could handle 40 per cent of the remaining tests at no extra cost. The minister went on to say this:

> If I am able to make those savings and I do not close them, I am nuts.

I expect we would all agree with that, despite the fact that the particular areas concerned were really uptight about it and naturally criticized the closures strongly.

My colleagues to my left have taken great delight in taking the Ontario government to task for closing hospitals and reducing the number of wings and beds in hospitals. Let me emphasize that the provincial treasurer of Ontario has introduced a measure of restraint in allowing only a 10 per cent increase in the budgets of all departments, though health was granted an 11 per cent increase. If hospital costs were allowed to increase to the same extent as last year, the health budget alone would have increased by $600 million. That is a lot of money, Madam Speaker, no matter how quietly you say it. As I say, the budget has increased by only 11 per cent to stay within constraints. It has been necessary to carry out bed closures, hospital closures, and also reductions in complement, not only in psychiatric hospitals but where there are excessive paid hours of employment over hospitals of comparable size. These hospitals have been asked to reduce their staffs.

Let me emphasize that these hospital closures have been carried out after a great deal of investigative work by the ministry's staff to assess the health needs of communities and to determine the physical assets of existing hospitals. If there were hospitals needing replacement within the next few years and there were nearby hospitals that had surplus beds, it would make sense just to close those hospitals and utilize nearby hospital beds to a greater extent. This will effect economies and make more efficient use of hospital facilities. This program has been carried out throughout the province on a non-geographic and non-political basis, with the hope of achieving a saving of some $50 million, amounting to a little over 3 per cent of the hospital budget. Hospitals account for 53 cents of every dollar spent on health.

As a result of negotiations, doctors have now settled, as I have already mentioned, for an 8.1 per cent increase, which is well within the Anti-Inflation Board guidelines. Funds for new nursing beds have been frozen; no new nursing beds are going ahead. Any commitments that were made prior to this stand are being honoured. With the closing of the hospitals already announced it should be pointed out that there will still be a surplus of 3,000 beds in the province of Ontario. Ontario's health budget for 1976 will be $3.4 billion, or $400 per person.

We know there are a great many ways to control health costs, and one is to make our health care system more efficient. I appreciate the undertaking of our minister that greater emphasis will be placed on reducing health hazards in the environment and increasing health awareness among Canadians. If we are going to become more healthy and save untold millions of dollars, then we had better stand up, be counted, and be ready to bite the bullet. The minister has pointed out, and rightly so, that we must exercise more, and smoke and drink less. If I had my way, I would ban the latter two activities entirely—

Some hon. Members: No, no.

Mr. Darling: —though I realize I am slightly biased there. In addition, we should eat more wisely, in other words less, and I am one who is as guilty, if not more so, as the next person.

Mr. Symes: Let us put up prices in the restaurant.

Mr. Darling: I see a lot of the saintly people to my left eating there, and even eating in the cafeteria.

Mr. Knowles (Winnipeg North Centre): Don't look at me.

Mr. Darling: I am not looking at the hon. member for Winnipeg North Centre (Mr. Knowles). As a general insurance agent I have some knowledge of the great increase in premiums for automobile insurance policies, in spite of the fact that since my election to parliament I have not been active in this business. Nevertheless, I still receive letters and hear complaints about the high cost of automobile insurance.

Statistics inform us that traffic accidents are the second most prevalent cause of early death next to heart disease. In 1971, according to the Minister of National Health and Welfare (Mr. Lalonde), figures show that accidents cost us 250,000 years of potential life. Human factors are blamed for 80 per cent of traffic deaths, and these factors include drunken and impaired drivers, speeding, carelessness, failure to use seat belts and, in all probability, failure to use just plain common sense. There were 223,777 injuries on our highways in 1973.

The tremendous cost of related medical and hospital care for victims of highway accidents is staggering, Madam Speaker. Traffic accidents cost Canadians well over $2 billion a year, including cost of hospital care and treatment for accident victims who require over two million days of hospitalization. Such hospitalization is estimated to cost this country at least $200 million a year. Medical care costs amount to approximately another $100 million, and these figures do not include legal expenses, public liability, property damage, loss of time from work, and the cost of permanent disability.

It might be a good time, Madam Speaker, to put in a plug for the wearing of seat belts, which I know is distasteful to a great many automobile drivers in my own province of Ontario where seat belt legislation has just come into force. Again speaking as an insurance agent I am well aware that wearing of seat belts does save lives as well as huge sums of money.

Australia has implemented seat belt legislation over the past three years. In its first full year of enforcement there was a reduction in fatal motor vehicle accidents of 25 per cent. A similar situation exists in France. There statistics reveal that their new compulsory seat belt legislation saved 1,200 lives in 1974.

Another staggering statistic is the great number of industrial accidents and fatalities. In 1974, 1,415 workers were killed on the job. The average over the past 10 years is 1,076. One out of 20 workers had a disabling injury in 1974, there being a total of 473,000 injuries. Industrial accidents were estimated to cost the United States $32.4 billion a year. I am sure our losses would be in the same ratio, which would mean about $3 billion a year. This certainly gives us food for thought. Something must be done to reduce these accidents. We must also consider this in terms of lost production, in human suffering, and in medical and hospital care.

● (2110)

We are told by experts in the field that for every dollar spent on medical research today there is a savings of $20 in health costs within ten years. I trust, therefore, that the minister will reconsider reducing the medical research budget by too much.

The bill proposes to limit the government's increased participation in medicare to 13 per cent next year, 10.5 per cent the following year, and 8 per cent in subsequent years. This will certainly be a great burden on the provinces and will be especially hard on those provinces which do not have the wealth and taxing revenues of a province like Ontario, British Columbia, and those blue-eyed Arab sheiks in Alberta.

Mr. Towers: Take it easy now.

Mr. Darling: That's O.K., my hon. friend from Red Deer.

Our minister of health in Ontario was quoted some while back in this regard. In fact I found the quotation at page 10411 of *Hansard* and I think it bears repeating. He said:

> If I have ever seen any example of unilateral decision making without consultation with the provinces that is it. We have been negotiating patiently for four years with the federal government to get a means of sharing health care costs that would allow the provinces to use their own discretion and to set their own priorities, instead of sharing on only those most costly services, the hospital and the physician. In the face of that, without any further consultation, they unilaterally set guidelines. They started the plan; it has got out of control. They have unilaterally limited the amount they will put into it. I don't know how we will live within it.

Other provincial health ministers have voiced a similar opinion.

On July 10 this past year the Canadian Medical Association declared:

The budget controls will produce definite health hazards for Canada's health care delivery system. The Government of Canada's budget controls will have the effect of restricting the availability of health care . . . in effect, rationing needed medical care, unless additional funds are provided by the province or the public. This action could endanger the quality of medical services available to Canadians.

The Minister of National Health and Welfare has come up with the magic or unlucky number 13, which may be an omen in relation to health conditions in the coming year. How do we know he will not change this figure downward this year, and more in future years? A great many of us are worried that he may drop the entire responsibility for this program on the provinces, or at least limit future contributions even more.

Newspapers all across the country have been writing editorials pointing out that great care should be taken and the government should take a second look at this. They have also suggested that the provinces must also reconsider the situation. I hope the minister will reconsider amending this legislation. I have here an article from the Toronto *Star* which again quotes the Ontario minister of health as follows:

Health Minister Frank Miller believes that the growth of health care costs can't be curbed unless individuals have to pay part of the cost out of their own pockets.

It's a belief shared by many people as soaring health costs undergo searching scrutiny.

Most of us are aware that the Ontario Minister of Labour, who was the president of the Canadian Medical Association, suggested deterrent fees as a way of restraining health care costs by making patients think twice about visiting doctors. This article from the *Star* goes on to state:

The belief is based on the supposition that individuals, because health care is "free"—that is, paid for out of premiums and taxes—use it unecessarily. People go to doctors with colds and sore throats, it's said, and others go to hospital emergency wards with minor ailments.

But something more than casual supposition about unnecessary visits to doctors and emergency wards is needed if the government is to take the drastic step of imposing deterrent fees upon individuals.

Later the article states:

These computers could produce patient profiles that would show, for example, whether Patient Smith saw Doctors Brown, Black and Green, all to complain of the same sore throat, within a 10-day period.

They could show how much use is made of the system by patients of the 800 doctors who have opted out of OHIP.

I know that one of my own colleagues who is a doctor is in that category. The article continues:

These patients have to pay themselves the difference between what health insurance pays and what the doctor charges, which in effect is a form of deterrent fee. It would be useful to know whether they see their doctors more or less than people who don't pay extra.

It's important that facts of this kind be available before a decision is made to impose deterrent fees. Otherwise what may happen is that a wealthy hypochondriac will continue to make frequent visits to a doctor, while a mother on welfare is prevented from seeking help for a fevered child.

Before imposing this kind of deterrent on people who legitimately need health care, the provinces—and this would include Ontario—should certainly provide clear evidence that this abuse is indeed occurring. If it is occurring I suggest it is on the part of a small segment of the population.

I am in favour of the amendment proposed by the hon. member for Broadview (Mr. Gilbert) that this bill be delayed for a period of six months.

Mr. Kaplan: Mr. Speaker, would the hon. member permit a question?

Mr. Darling: Yes.

Mr. Kaplan: The hon. member made such an excellent speech advocating restraint in the expansion of costs of the medicare program I could not believe it when he came to the end and asked that the matter be put over for six months, particularly since the measures of restraint he referred to are well within the responsibility of the provinces, and the user charge is entirely a provincial matter, so what—

An hon. Member: That is hardly a point of order.

Mr. Kaplan: Having advocated restraint as strongly as he did, what is the hon. member seeking? Is he saying the 13.5 per cent, which is the government limit, is too large or too small? He is asking for some restraint and I would like some indication of just what he thinks the restraint should be. What is wrong with the 13.5 per cent?

Mr. Darling: Mr. Speaker, I am well aware that we are looking for restraint, but there are certain cases and certain fields where there should not be restraint, and this is a particular case where the government has taken a certain decision against the wishes of every province. This was a deal that the provinces were urged to get into in the first place. Now because it is costing a little more, as a great many other things, the federal government is saying: O.K. sink or swim yourself without our help.

● (2120)

There is another point. Although I am not sure of the percentages I can speak with some authority having been a member of municipal government and head of a small municipal council for about 26 years. A very small part of the taxpayer's dollar, I think about 10 cents, went to the municipal government which had to spread it as thinly as possible. They spent it a lot more wisely than higher levels of government. The provincial government receives a little larger share, but the lion's share of the tax dollar, about 65 cents or 70 cents, is in the coffers of the federal government, and since it has the most it should be able to return the most. Public servants do not have to live in these great palaces that are being built across the river in Hull. It is more important to spend the money on hospital beds to look after the health of the people.

Mr. Kaplan: On a point of order, Mr. Speaker, would the hon. member permit a further question—

Mr. Baker (Grenville-Carleton): Mr. Speaker, I do not wish to interrupt the hon. member for Parry Sound-Muskoka (Mr. Darling) who has the floor, but I do not think the parliamentary secretary to the minister should have an opportunity to make a speech by way of asking a question. If he wants to make a speech he should enter the debate and I will be delighted to hear him, but not in this way.

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Sault Ste. Marie.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I too hope that the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Kaplan) will rise in his seat and explain this regressive and backward piece of legislation and the rationale behind it, because we on this side of the House do not accept the arguments the minister has put forward. Bill C-68 to amend the Medical Care Act and to amend the formula of payment by the federal government to the provinces is one of those backward steps this government seems to take. The government is reneging on an agreement and on a responsibility to pay half the cost of medical care in this country.

If this bill should pass it would mean that ordinary Canadians will suffer in terms of the kind of medical care to which they are accustomed, and which we hope to improve. They will also suffer because of higher taxes and deterrent fees which will be the inevitable result of this welshing by the federal government on its commitment to the provinces.

Under the formula proposed in this bill the federal government will limit its contributions to the provinces on a declining percentage formula. In the year 1976-77 the maximum contribution will be allowed to increase only by 13½ per cent. In the year 1977-78 it will be allowed to increase by 12 per cent, and in the year 1978-79 and thereafter it will be allowed to increase by 10 per cent or less. The reason the Minister of National Health and Welfare (Mr. Lalonde) gives the House is that health costs are escalating too much too fast, and therefore he has launched an attack against the provinces by saying the federal government will not match the inflationary increase in health care costs but will saddle the provinces with that responsibility, knowing full well that the provinces are limited in terms of their tax revenue.

The federal government has wider options. It can afford to continue paying half the cost of medical care, while the provinces today--and this is evident in respect of any province, and especially my province of Ontario—are feeling the pinch. If this legislation should pass we will see more hospitals closed down in this province, and not just the ten that the present Ontario minister of health has closed. We will see multiplication of that kind of indiscriminate closure in this province and in every other province throughout the country. That is a backward step.

The people of Canada can be proud of the health care system we have built, a system I need not remind hon. members that was first introduced by my colleague, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), when he was Premier of Saskatchewan heading the CCF and NDP governments. I think this bill really is indicative of the kind of commitment we have to medicare by the Liberal government. This is a commitment it reluctantly accepted. Medicare was promised by the Liberals back in 1919, but we did not get full medicare in this country on a nation wide basis until the 1960's. In light of that delay and the bill we have before us today, I do not think the Liberals are really too committed to the principle of universal free medical care.

[Mr. Baker (Grenville-Carleton).]

The Liberals are committed to the dollar sign rather than health care. They try to construct the argument that because we are in an inflationary period—and much of that inflation rests with the government of course—the dollar will take precedence over health care. I say that is a backward attitude. There are other ways to cut health-care costs than to cut back arbitrarily in the funding to the provinces.

Mr. Kaplan: What are they?

Mr. Symes: If the parliamentary secretary will wait I will enumerate them one by one. I hope that after I have finished he will rise in his place either to support or rebut the arguments I make. Let us first look at the components of increasing health costs one by one and then examine whether there is anything we can do to keep them in line. The most obvious reason for the increasing health cost is that more people in this country are using health services. Surely that is a fundamental objective of the program as currently designed, that is, to make the services available to people so that they will go to their doctor when they have early symptoms of illness rather than, as in the past, before we had the universal plan, hold off going to a doctor until the illness has become so complicated that they end up in hospital undergoing very expensive treatment.

If more people use the health services more people will be treated, and thus more people will be in a healthy condition rather than suffering from complicated illnesses. That is an important point to remember. We should not try to hide our heads in the sand. If we are to have a universal scheme obviously people will make use of it. That is the whole point of a universal medical scheme. The practice of going to doctors should not be limited to the wealthy. It should be available to all Canadians.

There is a second component of course to the increasing health cost. That is the wages paid to the hospital staff. Obviously the people who work in hospitals—and I am thinking of nurses, nurses aides, the technicians in the laboratory, the cooks, the cleaners and everyone else—are performing a vital job. They are facing the ravages of inflation as everyone else is, and they have quite legitimately asked for salary increases and in certain cases received at least a percentage of what they were seeking.

• (2130)

I remember examples that were quoted in my province of Ontario of a dog catcher or a zoo keeper who was making more than an hospital attendant. When you compare the services that those people were rendering, that was certainly a shameful state of affairs, and we have not as yet really acknowledged through the kind of salaries we provide to hospital staff the vital service that they give to patients. Therefore I do not think we can be niggardly and parsimonious when it comes to providing adequate wages for people who provide such vital services. That is something we will have to accept.

Likewise, a third component of rising health costs are doctor's salaries. In my province of Ontario in 1975 the average general practitioner was earning $58,000. The salary for the average ear, nose and throat doctor was $71,900, and the average salary of the orthopedic surgeon was $63,000 a year.

As we heard earlier, doctors in Ontario are asking for an eight per cent wage increase. They are making the argument, as is any other working person in Canada, that they face rising costs and want a salary increase. I was very interested to hear a judgment rendered by the Chairman of the Anti-Inflation Board, Mr. Pepin, that doctors will be able to exceed the wage guidelines as set out in the federal anti-inflation program. An eight per cent increase on the salaries I have mentioned certainly will be in excess, for most doctors, of the $2,400 a year maximum increase that professionals are allowed under the anti-inflation guidelines.

When Mr. Pepin was in Manitoba he stated to doctors there that the $2,400 maximum would only be an average, that it would be averaged out among all doctors in the province. Therefore there can be doctors who will get a salary increase in excess of the $2,400. I think that when we compare that eight per cent increase on a salary of $71,000, one has to admit there is quite a difference between the 10 per cent maximum salary that a nurse's aide or a cook will get in any hospital and the increase that a doctor would get.

The other factor that causes rising health costs is rising laboratory costs. In Ontario alone in 1975 it cost $60 million under the Ontario Hospital Insurance Plan to pay for laboratory costs. Much of this increased cost, I believe is due to overservicing, and there are indications that in some of the private laboratories in the province there has been phoney billing taking place and even some kickbacks among the 282 private medical laboratories. The provincial government is in the process of conducting an investigation of the charge that some doctors in the province have ownership interests in private laboratories, are referring patients to them and having unnecessary diagnosis taking place in order to enhance their personal income. We hope to see the results of that provincial investigation very soon to make sure that that is not going on and, if it is, that it will be rectified.

The fifth reason for rising health costs is the fact that throughout Canada we are keeping too many chronic care patients in regular active treatment hospitals because of the lack of extended care units for these people.

I did some research and I found that it costs as much as $200 a day to keep a chronic care patient in an active treatment hospital. If we were to provide more extended care units, that cost could be reduced to $42 or $52 a day. We can realize what tremendous savings this would provide to our national medicare plan.

The federal government seeks to handle these factors contributing to rising health costs by forcing the provinces to carry the heavier burden of these costs. What will be the result? First of all it seems inevitable if this bill passes that the provincial governments will have to cut back on services. They just will not be able to maintain the present level of health care services, or even expand to meet growing population needs. We can see this beginning under an austerity program in the province of Ontario with the closing down of hospitals and, as I said earlier, if this bill passes we will see hospital closures and cut back of services carried out throughout the country.

Another possible result if this bill passes is that the provinces will have to raise their taxes in order to finance the existing medicare schemes. We would have an increase in the sales tax, although this is one of the most regressive kinds of taxes there is because it hits the rich and poor within the same amount. The tax in Ontario is already 7 per cent. I cannot see the general population being able to afford an increase beyond that. We could have another kind of tax, a per capita medical tax on every family in the province. That is another way that the province would gain revenue to meet rising costs. Again that is a very discriminatory kind of tax because it would be levied on high and low income people most likely at the same rate.

The third result of this program could be for the provinces to impose deterrent fees. This means that every time a patient visits a doctor or has an X-ray, he or she will be charged a fee for that service. It could be $5 a visit, or $10 a visit, or $50 a day for having a hospital bed. If that takes place, what we are doing is taxing the sick, the ill, and the infirm. That kind of principle of a deterrent fee seems to me fundamentally contrary to the principle of universal free medical care, and again we would be going backward in our health care in this country if we impose a deterrent fee.

Let us not forget that deterrent fees discriminate against low income people and they will not deter the wealthy hypochondriac from visiting the doctor. But it will be a real discouraging factor for the poor. Let us remember that in Canada today there are over 5 million people living in poverty. In 1972, the last year for which we have statistics, 20 per cent of the families in this country were living on incomes of less than $5,500 a year. I ask you, how can those families afford deterrent fees? Those are the families that are most likely to have illness and other ailments among their children because of the poor living conditions in which they find themselves. That will be the effect of deterrent fees. It will hit those in the low income areas the hardest and it will not deter the more wealthy from going to a doctor. Besides, many studies have shown that deterrent fees really are not very effective, and that the rate of abuse of our health scheme is very minor indeed.

● (2140)

Another option open to the provinces if this bill passes is to reduce doctors' salaries. This might be especially in the maritimes. However, if that is done, what would happen is that there would be a temptation on the part of those doctors to move out of those provinces to other provinces where doctors' salaries have not been reduced. Again that would destroy another primary concept of the plan, to provide equality of health services from coast to coast in Canada.

A fifth course the provinces might take if this bill passes would be to increase premiums for medicare. There are some provinces—and I am happy to say provinces where New Democratic governments are in power—which do not have hospital premiums. That is, individual people do not pay a set fee each year for the privilege of medicare. That kind of revenue is raised through the general income tax system, which is a much fairer way of levying fees, because if there is a set fee for every person, of course low income people are hit harder than high income people. When the provincial income tax scheme is used it involves a sliding scale, and it is much fairer. However, for prov-

inces such as Ontario which have premiums, the provincial governments may be tempted to increase the premiums. Again that would discriminate against low income earners.

Those are some of the possible repercussions if the bill passes. I suggest that we do not have to pass the bill and that there are other ways of cutting costs. There are alternatives to the method proposed in this bill. I know that the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Kaplan) is quite anxious to find out what other ways we can go about cutting costs.

I refer the parliamentary secretary and his minister to a publication of their own department. It is entitled "A New Perspective on the Health of Canadians". In that study there are some very important recommendations with regard to improving health standards across Canada, and in the long run to make it less expensive. The key theme of that report is to emphasize and to promote preventive medicine. Here is where the federal government could provide leadership and, in co-operation with the provinces, design plans to promote preventive medicine, which would go a long way down the road to reducing the cost.

I ask, in light of that report, where is the leadership of the government in this field? It is sadly lacking, and I think immediately of the regulations of the federal and provincial ministers of environment. Government standards at both levels are very lax.

Where is the leadership of the government in preventing mercury poisoning, which is taking place among the Indian people of Grassy Lake Narrows in northern Ontario? The mercury poisoning is coming from a pulp and paper mill which has been allowed to poison the waters and the fish which the people of that reserve depend on for their livelihood.

Where is federal and provincial government leadership in Ontario and Quebec in preventing asbestosis, where miners for generations have faced this health hazard, faced early death and forced their families on to welfare because of the lack of compensatory programs? Where is the leadership of the federal and provincial governments for miners in uranium mines such as the one in a community near mine, Elliot Lake, where it has been demonstrated that because of poor environmental regulations miners are suffering from silicosis?

Where have regulations with regard to clean air been for the coke oven workers in the Algoma Steel Corporation in my community, Sault Ste. Marie, where workers have met early death because governments have failed to force companies to provide proper environmental working conditions? Governments in those areas have let companies get away with poisoning workers. Constantly they have been given reprieves and delays with regard to cleaning up the air and water. I think that is a very sad indictment of the government and of how serious it is about providing preventive medicine in terms of promoting adequate environmental standards.

There should also be some leadership from the government and from provincial governments in promoting preventive medicine, and I think immediately of denticare programs to help children at early ages. This would be a saving in the long run in adult life. We could have proper courses in nutrition in schools, and much more information should be made available to parents as well.

Previously I have talked about long term preventive medicine, but in the immediate term we could set up local community service centres to provide social and health services at a much lower cost than at our general hospitals. I note that the province of Quebec has used this system quite widely and has promoted these facilities, which are much less expensive than the facilities provided at hospitals. Indeed in my own community of Sault Ste. Marie the steelworkers there, with other interested citizens, have set up a group health centre which provides excellent service to the people of Sault Ste. Marie at a reduced cost. This kind of health care community clinic could be expanded throughout the country and would go a long way toward cutting costs.

One of the main things which could and should be done—it may require an initial outlay in cost but will certainly result in savings in a few years—would be to set up out-patient clinics, chronic care units and nursing homes to get patients out of very expensive hospital beds. I mentioned earlier that the cost of keeping chronic patients is $200 per day in a regular hospital. That cost could be brought down to about $52 per day in a chronic care unit.

For example, the administrator at St. Luke's Hospital in Montreal pointed out recently that 105 of the 704 beds in that hospital are taken up by the chronically ill, who wait on the average five months before they are transferred out of that hospital. At the same time the waiting list of people to get into that hospital averages about 3,000. If we had the kind of out-patient facilities throughout Canada I have been speaking about, we would go a long way toward reducing health care costs.

Another thing we could be doing is making better use of paramedics. There are many examples of where doctors can delegate some of their responsibilities to paramedics. These people can be trained at less cost than doctors, paid less than doctors, and can do much of the work, so that our high salaried doctors do not have to perform it. I think these are some concrete examples and propositions which would prove very effective in reducing health care costs. These would be much more effective and equitable than the measures proposed in Bill C-68. What is at stake really is the continuation of a fine health care system throughout Canada.

● (2150)

I say this bill is a backward step. It is going to weaken, if not destroy in the long run, a principle which was fought for, for so long and so hard by members of my party and by many other concerned Canadians. I think all Canadians must register their protests to the government so that it cannot back out of its commitment to provide half the cost of medicare. That was a solemn commitment made to the provinces. If we are going to maintain a healthy federalism the government cannot back down from that promise. If we are going to try to promote equality of service throughout Canada we must have a national medicare scheme. It is important that this bill not be passed because that would be the first step in the ultimate reduction of health standards and health care across the country.

For these reasons I cannot support the bill, Mr. Speaker. I hope the government will seriously consider some of the alternative proposals that I have made to reduce health

care costs while at the same time maintaining our high standards.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, in rising to speak in support of the amendment proposed by the hon. member for Broadview (Mr. Gilbert) it is my intention to dwell on only a couple of the aspects of this measure. They are aspects which have been underlined by those who have preceded me who spoke of their failure to understand the attitude of the government in bringing forward legislation of this sort at this particular time.

Others who preceded me in the debate, particularly the hon. member for Athabasca (Mr. Yewchuk), have gone over the history of this medical "come on". They spoke of how a universal medicare plan was thrust upon the provinces in 1968 by a federal government without any thought of permitting the provinces to determine how it was to be applied or to determine any of its principal characteristics.

In 1968 the provinces were offered the scheme on a take or leave it basis. Since the services, generally speaking, were needed, and since generally speaking the Canadian people felt they should have a general health care service across the country, and since the cost support base then proposed was very attractive, the whole scheme was accepted—on trust. I say on trust, Mr. Speaker, in the belief, presumably, that that trust would be lasting; that the trust in the Pearson government which made the proposal would endure in a successor government of the same ilk. How the provinces have been let down! That belief has been dashed. Now we have a successor government repudiating, reneging on an agreement made not ten years ago, only eight years ago, with the provincial governments.

For 20 years hospital care has been provided under an agreed 50-50 formula; for eight years medicare has also been supplied under a similar formula. They are universal schemes: no means test is needed; all treatments and semi-private facilities are totally covered.

As the minister rightly said in his opening statement, as a result of the Conservative inspired plan of 1958 for hospitalization, and the 1968 scheme taken on trust, developed by the Pearson government and foisted on the provinces, with ample dollops of financial icing as inducements to join, the net result is, by and large, that Canada has a good hospital care and medicare system, perhaps one of the best in the world.

Is the minister suggesting, through the introduction of the present bill, that all the infrastructure is in place and therefore the financial inducements, the financial sharing arrangements may be withdrawn? Is that what lies behind this motion? If it is, such an assumption is entirely wrong—it is wrong—wrong. What was once a medicare "come on" has become a medicare "cop out". On the strength of that cop out I should like to cop out too, and call it ten o'clock, Mr. Speaker.

* * *

BUSINESS OF THE HOUSE

Mr. Paproski: Mr. Speaker, would the amiable Parliamentary Secretary to the President of the Privy Council (Mr. Blais) be able to advise the House what the business will be for tomorrow?

Mr. Blais: Mr. Speaker, I just knew the question was going to be asked. Tomorrow we are going to deal with Bill C-68, the same order of business as we are dealing with now. May I also take this opportunity to advise hon. members that there has been agreement that during private members' hour tomorrow we will deal with Bill C-264.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

NATIONAL DEFENCE—REASON FOR DELAY IN STARTING SEARCH FOR MISSING FISHERMEN—POSSIBLE REASSESSMENT OF SEARCH AND RESCUE CAPABILITY

Mr. James A. McGrath (St. John's East): Mr. Speaker, on February 24, as reported at page 11191 of *Hansard*, I directed a question to the Minister of National Defence (Mr. Richardson) with respect to the air-sea rescue attempt to locate the missing fishing vessel *San Juan* which had been reported missing the previous Sunday.

What concerned me and prompted my question was the fact that the *San Juan* was officially reported missing at 7.50 p.m. on Sunday and it was not until 11.15 p.m. that night that the Canadian coastguard ship *Bartlett* in St. John's harbour responded to an all-ships alarm and commenced the search. Furthermore, it was not until noon of the following day, Monday, that search aircraft were dispatched from Halifax or Summerside, Prince Edward Island, to the scene which was 500 miles to the east.

I wanted the minister to tell the House, and particularly the people in my province, why it took so long to get this search under way. The minister's reply indicated that either he inadvertently misled the House or he had been misled. The information he gave to the House was not in accordance with the information that had been released by the air-sea rescue service in Halifax. Further, the information which came from the air-sea rescue centre in Halifax was at variance with information given by eye witnesses of this most tragic mishap.

● (2200)

This is the third fishing vessel to be lost off the east coast of Newfoundland since the beginning of this year, six people now having lost their lives. This dramatically and tragically emphasizes how inadequate is our air-sea rescue capability on Canada's east coast.

In Newfoundland, especially eastern Newfoundland, we depend on facilities 500 miles to the west, in Halifax and Summerside, Prince Edward Island. Our distance from these facilities means that there is a serious and critical time lag in getting a search and rescue operation under

way. This is not the first time that this matter has been raised.

In Newfoundland today there is indignation, and rightly so. We are a sea-going province, and a sea-going people. We do not take lightly these accidents at sea. We feel that if adequate search and rescue facilities were available, we could prevent in many instances tragic loss of life.

Today I asked for unanimous consent, under Standing Order 43, to propose a motion calling on the Minister of Transport (Mr. Lang) to order a judicial inquiry into the circumstances surrounding the foundering of the fishing boat *San Juan* and the activities of the Canadian Coast Guard Ship *Bartlett* in relation thereto. After that unsuccessful attempt to raise the matter by way of Standing Order 43, a telegram was sent to the federal Minister of Transport by the minister of justice and the attorney general of Newfoundland asking for a judicial inquiry into this latest mishap, and asking for the terms of reference of the inquiry to include the other two mishaps which resulted in loss of life earlier this year. The inquiry was to go back to the first of this year.

A judicial inquiry was ordered in response to the foundering of the Canadian National Railways steamship *Patrick Morris*, which was involved in the search for the motor vessel *Enterprise*, which had sunk in the Gulf of St. Lawrence, or the Cabot Strait. I should like, in my limited time, to put on record some of the recommendations emanating from the 1971 judicial inquiry. The accident took place in 1970.

In his report, Judge Soper of the district court said:

> The area served by the search and rescue forces appears to be large when considered from the point of view of distance from Summerside, Prince Edward Island.

The report went on to say:

> It is therefore recommended that the hon. Minister of Transport through his appropriate colleagues in the Government of Canada
>
> (a) seek a better dispersal of search and rescue aircraft and personnel on the Atlantic coast, with no dimunition of services that will be available, so that aircraft may reach distress areas more quickly;
>
> (b) cause a detailed review to be made of the procedures followed so that in future search and rescue aircraft will be ordered into action earlier than they were when the *Enterprise* was reported lost; and
>
> (c) request an increase in the number of personnel that will be available in shifts at search and rescue stations so that the reaction time may be reduced to a minimum on a twenty-four hours a day basis.

These recommendations were submitted to the Minister of Transport.

The Acting Speaker (Mr. Turner): Order, please.

Mr. McGrath: Mr. Speaker, may I just finish my remarks briefly—

The Acting Speaker (Mr. Turner): Order please. The hon. member's time has expired.

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I wish to set the record straight about the efforts of the search and rescue people in this latest incident involving, as the hon. member says, a tragic loss of lives.

[Mr. McGrath.]

Earlier this week, the Minister of National Defence (Mr. Richardson) undertook to examine the facts presented to him by the hon. member for St. John's East (Mr. McGrath) in connection with the search for the vessel *San Juan*. As a result of this undertaking I have a report taken from the log entry of the rescue co-ordinating centre at Halifax which outlines the events as they happened during the period in which the *San Juan* was in distress.

The rescue co-ordinating centre received a call from the RCMP at 7.20 p.m. on February 22 to say that the *San Juan* was in difficulty. Twenty-one minutes later, at 7.41 p.m., the RCC issued an all-ships alert, and four minutes after that the Canadian coastguard ship *Bartlett* was tasked for the search and rescue mission.

The weather at that time precluded an air search. The *Bartlett* located the *San Juan* at 0400 hours on February 23 and passed a message to the rescue centres that the vessel was in no immediate danger, that sea conditions were unfavourable to passing a tow line, and that the *Bartlett* would stand by awaiting daylight. Shortly after that message was sent, at about 5 a.m., the *Bartlett* lost radio contact with the *San Juan*, the vessel's lights went out and it disappeared. At daybreak the *Bartlett* was joined by the motor vessels *Sea Transport* and *Arctic Explorer* in a search for the *San Juan*.

A Tracker aircraft was tasked to assist but it could not get airborne because of the weather. The weather moderated during the afternoon and the Tracker joined the search and rescue at about 4 p.m. About 6.30 p.m. the MV *Sea Transport* sighted some wreckage and the *Bartlett* proceeded to investigate. Shortly after, the *Arctic Explorer* sighted and recovered some debris believed to be from the *San Juan*. The ships and the aircraft continued to search throught the night and around ten o'clock the next morning, February 24, the Tracker aircraft found the *San Juan* partly submerged with no sign of survivors.

From this account it would appear that the rescue co-ordinating centre followed proper procedures in its attempt to rescue the *San Juan*. The weather delayed the initiation of the air search, but three vessels were actively searching the area. I would remind the hon. member that during the night and early morning of February 22-23 the rescue vessels were contending with waves up to 40 feet which made the rescue a near impossible task.

I wish to say to the hon. member for St. John's East that my minister did not, and would not, mislead the House—

The Acting Speaker (Mr. Turner): I regret to interrupt the parliamentary secretary but his time has expired.

REGIONAL ECONOMIC EXPANSION—LIAISON WITH MANPOWER IN REPORTING JOB OPPORTUNITIES IN COMPANIES FUNDED BY DEPARTMENT

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, it is a condition precedent in the Regional Development Incentives Act that all companies which are to receive an incentive grant must report all the openings to Canada Manpower before receiving any money. Section 13(1) of the act states:

> It is a condition precedent to the payment of any amount on account of development incentive that the applicant keep the Department of

Manpower and Immigration . . . informed of the manpower vacancies of the applicant in the designated region in which the facility for the establishment expansion or modernization of which the development incentive was authorized is, or is to be, situated . . .

The regulations clearly state the necessity of reporting vacancies and openings to Manpower.

● (2210)

According to the response to order paper questions 3884, 3885, 3886 and 3887 addressed to Canada Manpower, 94 companies, representative of all the designated regions of Canada, announced in the press releases of the Department of Regional Economic Expansion as accepting incentive offers some time between October and December of 1975, are shown to have reported to Canada Manpower 508 vacancies.

DREE press releases indicated these same 94 companies created 2,129 jobs, or four times the number of jobs reported to Canada Manpower. Canada Manpower in the same order paper returns shows that 354 positions were filled. This is only one seventh of the total number of "jobs created" announced by DREE. The report of job openings to Manpower is a statutory requirement that must be met before one cent of DREE money is advanced. The number of jobs to be created is an important factor in determining not only how much money DREE will grant a recipient but whether or not DREE will make any grant.

The large discrepancy between DREE figures and Manpower records is very serious indeed. What is the explanation? Is there any on-going liaison between DREE and Manpower regarding enforcement of the Regional Development Incentives Act for the reporting of job opportunities by DREE funded companies? That is the question I asked the minister. Perhaps now that he is informed of the facts he will not be so proud of his answer. He said "obviously consultations are held between both departments concerned". I do not think it is so obvious. "Generally speaking," he said, "one can say that there is a close co-operation between both departments and the possible employers".

I do not know what they consult about or what they co-operate about, but I do know that DREE should be monitoring the job orders placed with Manpower by companies it funds, to be certain beyond doubt that DREE grants create jobs for people in the economically depressed regions intended.

I want to know why DREE and Manpower are so far apart in their figures when the act clearly states that, as a condition precedent to the payment of any amount on account of a development incentive, the DREE applicant not only should inform Manpower of the manpower vacancies but keep Manpower informed.

The amount of $12,342,909 of DREE grants is involved. How does DREE announce the creation of 2,129 jobs while Manpower has reports of one quarter of those positions and employs only one seventh of them? The returns and releases I cited show that some of the companies in particular were sadly deficient. Didier Refractives Corporation of Beaucancour, Quebec, were to hire 294 people, reported none and hired none through Manpower. Mac Don Industries Limited of Winnipeg, Manitoba, were to hire 276 people, reported 47 and actually hired 38 through Manpower. Targetair Limited of Moncton, New Brunswick, were to hire 32, reported none and hired none through Manpower. Avalon PreCast Concrete Limited of Carbonear, Newfoundland, were to hire 25 people, reported none and hired none through Manpower. Volcano Ltée of Saint Hyacinthe, Quebec were to create 88 jobs; reported eight and hired one through Manpower. The Mikron Group Electronics Limited of Burlington, Ontario, were to create 14 jobs; reported no positions open to Manpower and hired none through Manpower.

The list goes on and on; it is part of the records of the House. Out of all 94 companies only one followed the intent of the Regional Development Incentives Act.

Carter Electronics Limited of Winnipeg, Manitoba, had 13 job openings, reported 13 to manpower and hired 13 through manpower. What a record—one out of 94!

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, the hon. member for York-Sunbury (Mr. Howie) raises a very valid question concerning consultation arrangements between the Department of Manpower and Immigration and the Department of Regional Economic Expansion. To begin with, there is not necessarily any direct correlation between the figures the hon. member used in his argument.

The fact that a company accepts an offer and is going to provide a certain number of jobs does not mean that will happen the next day or the next week, as the hon. member is well aware in view of the type of question he has been asking. It could well be sometime later before these particular jobs are made available, so he cannot base it merely on the date of acceptance.

Certainly the evaluation of every project submitted for consideration under the act is done by an incentive officer who is required to ensure that the applicant is co-operating with the federal Department of Manpower and Immigration. When an offer of a development incentive from the department is accepted the applicant, being the company involved, undertakes to comply with the terms and conditions of the legislation.

Mr. Howie: Mr. Speaker, I rise on a point of order. Under the act he should be required to do that before it is accepted.

The Acting Speaker (Mr. Turner): Order, please. The hon. member cannot rise on a point of order at this time.

Mr. McIsaac: The applicant undertakes to comply with the particular Section 13, a part of which the hon. member has read. So it is up to the applicant, the company, the individual or the firm accepting the offer to live up to the terms of these regulations. It is also important to be aware that when each payment toward the incentive is made, the applicant is reminded again that he must continue to comply with these particular regulations.

As the hon. member is also well aware, I am sure, the department of manpower officials sit on an advisory committee associated with DREE in reviewing all of the major projects, and it certainly has been the experience of the Department of Regional Economic Expansion, at least, that these firms do determine the availability and suitability of local manpower, and contact the local Manpower centres for this particular purpose. Certainly it is obvious also that

they may not always have available at the Manpower centres men with the necessary skills.

It is very much a requirement of the act, and it is certainly my understanding, that the Department of Manpower and Immigration also has its own arrangements for initiating contact with these particular entrepreneurs. If there are certain specific cases, such as those mentioned by the hon. member during this particular debate, I think they bear some further investigation and I am prepared to undertake that for him.

TRANSPORT—POSSIBLE DISCUSSIONS ON USE OF "MANHATTAN" TO MOVE OIL THROUGH NORTHERN WATERS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, after 11,146 pages of bombast and balderdash contained in the House of Commons Debates this session, on February 23 I asked the Minister of Transport (Mr. Lang) if he could give me any indication whether he or his officials had any conversations with Panarctic in respect of the removal of oil from the northern slopes of this continent. The minister said he had no such direct conversations but would check to see whether any had been held by any official of his department. I accept that and I am very pleased to see the parliamentary secretary here this evening. I hope he can elaborate on some of those discussions which may or may not be going on.

I raise this question because the minister has given an indication that every effort is being placed by the government on the use of Canadian knowledge, technology, and expertise in any activity in the north. Those are my words and I am not putting them in the minister's mouth. I am sure he agrees with the intent of those words in respect of the removal of extractive resources from the north.

In connection with Panarctic, I raised the question the other day as well because it has now been about three months, to my certain knowledge, that Panarctic officials, indeed, Mr. Heatherington and others, met with agents of Canada Steamship Lines, Camet, which is a Canadian marine architectural firm, and J. J. Henry, a firm of U.S. architects, respecting the conversion of the *Manhattan* for Arctic crude oil carriage.

● (2220)

The scheme under discussion is to have the consortium of Canada Steamship Lines, Hall Corporation, Branch Lines and Fedcom jointly lease the *Manhattan* and undertake the conversion, leasing it in turn to Panarctic. I am in favour of this and would argue strongly for it. I recognize Panarctic's absolute need to get oil flowing now that they have wells, and to get a cash return on their investment in the north. Indeed as a 45 per cent shareholder, the Canadian government and the Canadian people I am sure also would like to see a return.

The *Manhattan* is probably the first vessel we can lay our hands on that has a demonstrated capacity in the Arctic, with limitations. I think it is a good idea to push on with that. The timetable I believe for Panarctic to complete its work in the north probably is three or four years. We have the situation where the Saint John Drydock Company in Saint John, New Brunswick, has demonstrated the capacity to handle a ship in its yard up to 250,000 tons.

[Mr. McIsaac.]

Tonight I should like to know whether any discussions have taken place between Panarctic and the departmental officials on the question of conversion. For the record may I say that the *Manhattan* was converted originally, I believe, at an estimated cost of $40 million, which in fact included not only conversion but also deconversion which was never carried out, because when it ceased to do some work it went to other carriage. I think the total cost of the program was about $56 million. It was never deconverted and the work to reconvert it for Arctic purposes could be done fairly easily and quickly, and well within the schedule of the Saint John drydock.

I would ask the parliamentary secretary to respond first of all in respect of whether or not the *Manhattan* is an acceptable concept to the government, and second whether or not the consortium of Canadian companies interested in looking closely at this matter could be persuaded by a 45 per cent shareholder, the Government of Canada, to do this conversion because we have the expertise and the knowledge. Indeed anything the parliamentary secretary can tell me in respect of my beloved Arctic and the use of Canadian flag vessels to remove our extractive resources is to be recommended.

I shall not continue any further. The parameters and the pieces fit into the puzzle. The work can be done in Canada. The *Manhattan* is acceptable to me for the time being. I just do not want to see any more after this, but if we can do the work in Canada and can get the *Manhattan* up there and get our Arctic crude down, then the Canadian taxpayer might see a return on his money which could be used to build Canadian ships to remove extractive resources from other areas of Canada.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am pleased to have an opportunity to respond to the concerns of my hon. friend this evening.

The last time he and I had an occasion to discuss the matter of Arctic shipping and extractive resources was at the same point in our proceedings one evening just prior to Christmas, when we were on the eve of second reading debate in this House on a very significant piece of legislation, Bill C-61, the Maritime Code Act, in which I know he is very interested. It is a bit of a coincidence that we are back again discussing a similar topic during the course of the same week in which we have seen that piece of legislation, Bill C-61, come to a final conclusion, in the committee stage at least, and have seen it reported back to the House of Commons. So I am pleased to have an opportunity to discuss this matter with him. I hope I might be able to shed some light on the concerns he has raised.

Panarctic discovered oil at Cameron Island, which is north of Bathurst Island in the Arctic Archipelago, and I understand that drilling is continuing to determine whether there is oil in commercial quantities. In the event that there should be oil in commercial quantities in the far northern region, preliminary consideration is being given to various means of transporting it south. Among the options already considered is a pipeline system, the use of ice strengthened tankers, or a combination of these two systems.

As members may know, the regulations under the Arctic Waters Pollution Prevention Act divide our Arctic waters into various zones, depending on the ice coverage. Cameron Island is in zone one, which means that there is maximal ice coverage, that is to say, a very short season of open water or none at all in the summer. The only tankers which could be considered for use to and from Cameron Island on a regular basis would be Arctic class ten, that is to say, vessels capable of maintaining continuous momentum in ice of up to ten feet thick. By comparison, an Arctic class six vessel could only operate there for one month a year, August 15 to September 15.

Another alternative which has been considered is the transportation of the oil by pipeline to a port on the south of Bathurst Island, which is in zone six. Zone six could be serviced by Arctic class seven tankers on a regular basis. Some consideration has also been given to the possible use of tankers which are simply ice strengthened as part of this system.

I would emphasize that until such time as it is determined that there is oil in commercial quantities at Cameron Island the consideration of transportation options, whether completely by pipeline, by ice class tankers, or by a combination of these two systems, is still at a very preliminary stage. The Canadian shipping industry is, however, very actively looking into the various options and is keeping officials of the Ministry of Transport abreast of its discussions with Panarctic and the other oil companies. I might add that the Canadian coastguard for some time has been proceeding with development of detailed designs for polar ice breakers in the event that these should be required.

The Acting Speaker (Mr. Turner): A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Friday, February 27, 1976

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

OLYMPIC GAMES

SUGGESTION OLYMPIC LOTTERY PROCEDURE BE ALTERED TO AGREE WITH ADVERTISING CAMPAIGN—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to Standing Order 43 I rise on a matter of urgent and pressing necessity. In view of false and misleading advertising regarding the Olympic lottery program in that unsold tickets have in fact been picked as winners, thus reducing the chances of those individuals who saw fit to support the Olympic program by purchasing their tickets under false impressions, I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That the Minister of Consumer and Corporate Affairs be instructed to take steps to have the Olympic lottery program altered in accordance with its advertising campaign.

Mr. Speaker: Order, please. This motion being pursuant to Standing Order 43 can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INCOME TAX

REQUEST FOR ACTION TO PREVENT TAX EVASION BY MULTINATIONAL CORPORATIONS—MOTION UNDER S.O. 43

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of statements by officials of National Revenue and by the former minister, Mr. Basford, to the effect that under existing tax laws multinational corporations operating in Canada are able to divert funds to subsidiaries outside of Canada, thus escaping paying hundreds of millions of dollars in taxes, and in view of the announcement by Revenue Canada that it has shelved plans to close these loopholes, I move, seconded by the hon. member for Timiskaming (Mr. Peters):

That this House condemn the government for its shortsighted approach to government finance as demonstrated by its refusal to close tax loopholes which cost the Crown hundreds of millions of dollars in foregone revenue and, further, that this House instruct the government to undertake immediately whatever studies and monitoring programs are necessary to end this circumvention of the law.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 such a motion can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

TABLING OF REPORT OF QUEBEC AND ONTARIO COMMISSIONS

Mr. Speaker: It is my duty, pursuant to section 19 of the Electoral Boundaries Readjustment Act, Chapter E-2, Revised Statutes of Canada 1970, to lay upon the table of the House a certified copy of the Report of the Electoral Boundaries Commission for the provinces of Ontario and Quebec.

ORAL QUESTION PERIOD

[*English*]

REGIONAL ECONOMIC EXPANSION

POSSIBILITY OF MAKING GREATER USE OF INDUSTRIAL INCENTIVE GRANTS

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, has the Minister of Regional Economic Expansion devised any new initiatives, such as greater use of loan guarantees, to get more mileage out of industrial incentive grants now that his budget for industrial incentives is frozen at less than the Department of Agriculture spends on research?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, it is obvious that the aid formula reflected in loan guarantees or industrial incentive grants is one of the rather interesting formulas the department is applying, however, not as regularly and frequently as it should perhaps do. Surely the hon. member's suggestion to consider this proposition as a way to increase our incentives and our aid could be examined and probably applied more generously.

● (1110)

[*English*]

Mr. Howie: Mr. Speaker, I have a supplementary.

Mr. Speaker: Perhaps the hon. member would permit me to allow his supplementary in a moment. The hon. member for Qu'Appelle-Moose Mountain.

* * *

THE CANADIAN ECONOMY

SUGGESTED PROGRAM OF EXPANSION TO FIGHT INFLATION—GOVERNMENT POSITION

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is to the Prime Minister. In view of the Napoleonic retreat last night of the Minister of Finance from the silly and unworkable export tax on resource industries, would the Prime Minister now give an answer to my proposal of December 19 last which I will repeat for him:

> ... would the Prime Minister give serious consideration over the next three or four weeks to re-examining the whole course that the government is taking because I believe it is heading us toward a recession, and would he turn the whole program of the government around into one of expansion so as to give the government time to get at the basic cause of inflation, which this program is not doing?

Could I have an answer to that question.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, perhaps I could answer in terms of the reference in the preamble to the question. The hon. member surely is aware that one of Napoleon's most spectacular retreats, one of several days, ended in the greatest of his victories at Austerlitz and this is the way—

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I could remind the Prime Minister that following that victory at Austerlitz there was also the defeat at Waterloo.

Mr. Trudeau: Because he attacked.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, in view of the fact that the Prime Minister did not see fit to answer the serious proposal I made to him on December 19 about the direction in which he is taking this country, I should like to ask him another question. In view of the fact that current economic indicators show that the recovery of Canada from the recession of 1974 was checked in the last quarter of 1975 by the application of the traditional prescriptions of the mandarins of the civil service, which have been wrong consistently over the last 30 years, would the Prime Minister himself read Chapter 20 of the Porter Royal Commission, particularly the second last paragraph which reads:

> The full growth potential of the economy will only be realized if appropriate monetary and fiscal policies are combined with measures to develop the economy's skills and levels of education, to encourage saving, investment and risk-taking, and to ensure that production is organized efficiently.

Would the Prime Minister commit himself to reading this chapter 20 of the Porter Royal Commission report?

Mr. Speaker: Order, please. The hon. member for Esquimalt-Saanich.

[Mr. Howie.]

ANTI-INFLATION PROGRAM—RECONCILIATION OF EIGHTEEN-MONTH AGREEEMENT WITH PROVINCES WITH THREE-YEAR PERIOD FOR PROGRAM

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question also is addressed to the Prime Minister. Since he seems determined to head either for Austerlitz or Waterloo, I should like to give him an opportunity to explain to this House how he has managed to reconcile agreement on an 18-month basis, as adopted by the four provincial governments with which some sort of understanding has been reached, with the three-year duration of the anti-inflation program under federal law? Does this mean that the program can last for no more than 18 months or is there some secret renewal agreement proviso included in the present agreement?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is no secret renewal agreement. It seems to me this question is in essence almost as unreasonable as the preceding one. It shows a lack of understanding of the approach of the government to this whole matter. We think three years is the appropriate time. That is why it is written into the law. The provinces in many cases just wanted to sign for 18 months. Surely it was proper for us to say: "Okay, sign for 18 months. There is an effective provision for a re-debate of the question in the House of Commons. We believe you will have to sign for another 18 months, but we will cross that bridge when we come to it." The important thing is to make the program work now, to have the co-operation of the provinces, and this is what is happening in both cases.

ANTI-INFLATION PROGRAM—DATE OF SIGNING AND DURATION OF AGREEMENT WITH PROVINCES

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my supplementary is further to this whole debate. Can the Prime Minister say whether he anticipates early settlements with the other six provinces on either a three-year term or on an 18-month basis and can he feel even reasonably certain that the program will really get under way and be effective even if the remaining six do not sign? What about the 100 per cent rate hikes by the British Columbia car insurance corporation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the House will recall that the federal government was enjoined by the provinces at two interprovincial meetings of premiers in a row, last year and the year before, to do something very energetic, to take leadership in fighting inflation, and so on, and they indicated that they would co-operate. We took the decision in the month of October last. The provinces and the federal government have been putting together these agreements. Three or so have been signed, and several others will be signed in an interim form. It is possible that we will have difficulties with one or two signatures—they might take more than a few days to get, but the program is in place; it is working; it is the federal law and it is compelling on the Canadian people.

We hope the provinces will co-operate with us in every way, as they have indicated their intention of doing and as the premiers indicated their intention of doing at the

meeting at my house at 24 Sussex on October 13. They are taking some time to get around to signing some of the agreements, but the important thing is that the program is in place, the Anti-Inflation Board is operating, and inflation is being tackled in a most serious way.

* * *

EXTERNAL AFFAIRS

PAKISTAN—SAFEGUARDS FOR SPENT FUEL FROM CANDU REACTOR

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In the House yesterday with reference to negotiations that are going on between Canada and Pakistan concerning nuclear safeguards, the minister said:

> What is of concern to Canada . . . is the spent fuel that comes out of the Canadian reactor and that may subsequently be reprocessed in the facility provided by France.

I should like to ask the minister now whether he will assure the House that no further shipments of uranium from Canada to Pakistan will take place unless Pakistan accepts the point that Canadian safeguards apply not merely to the CANDU reactor provided by Canada but also to the use of spent fuel from the Canadian reactor now in Pakistan.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the negotiations between the Canadian team and the Pakistani team are still underway. I had a detailed report this morning about the progress that has been made, and of course one of the items still under negotiations is the very point that the hon. member has raised this morning and to which I referred yesterday. The hon. member is suggesting that Canada withhold its supplies of uranium or fuel to Pakistan in order—

Mr. Broadbent: Unless you get that guarantee.

Mr. MacEachen: —in order to bring Pakistan to the point of cancelling a contract which, I understand, has been entered into with the French government. That is a possibility, but I think the hon. member should understand the implications for Pakistan if Canada at this point withdrew its fuel from the CANDU power reactor and cut off the supply of electricity for the city of Karachi. I believe that is a step which the hon. member and I would like to ponder very carefully before it is taken.

Mr. Broadbent: Notwithstanding the legitimate concern which the minister expressed about the power situation for the city of Karachi, I should like to ask the minister the following question. Given, to say the least, the equal concern from the point of view of everyone in the world to stop the development of nuclear weapons, would the minister not agree that unless we get the most stringent guarantees from the government of Pakistan which would totally inhibit the use of Canadian-provided material for the development of nuclear weapons, we should not proceed in any way with further shipments of uranium material to that country?

● (1120)

Mr. MacEachen: Well, the hon. member understands that there is presently in Pakistan the Canadian supplied power reactor. At the time that reactor was put in place certain safeguards were negotiated between Canada and Pakistan, and at this point the purpose of the Canadian effort is to upgrade existing safeguard agreements which were previously entered into between Canada and Pakistan affecting that particular installation. We are doing our level best, and I believe we will make considerable progress in upgrading those safeguards.

I believe the hon. member should bear in mind as well that, as I understand it, there has been a safeguards agreement negotiated between France and Pakistan relating to the processing plant. These safeguards are of London Club quality and have been approved by the International Atomic Energy Agency, so that processing plant is actually safeguarded under internationally approved standards.

Mr. Stanfield: Oh, oh!

Mr. MacEachen: The hon. member for Halifax grumbles, but that is a fact, and it is a very important fact which has to be taken into account. Canada is not supplying the reprocessing plant to Pakistan.

Mr. Broadbent: Considering that the minister has been quoted as saying that the safeguards agreed to by a number of countries in London were in fact lower than the safeguards expected by the Government of Canada, I should like to ask the minister whether he is now saying that the Government of Canada is prepared to accept what I understand to be the Pakistani position, namely, that the safeguards expected by the Government of Canada for Canadian provided facilities will not be applied to facilities provided by another country, even if that means that those facilities are going to be using spent fuel provided originally by Canada and processed on the Canadian reactor in Pakistan.

Mr. MacEachen: The hon. member has rather ambitious plans for Canada in that he expects Canada to direct the nature of an agreement between two other countries, in this case between Pakistan and France. I believe that is quite a silly proposal made by the leader of the New Democratic Party.

Mr. Broadbent: That is nonsense.

Mr. MacEachen: The question which is relevant, and which the hon. member has raised, is the safeguards with respect to the Canadian reactor which is presently in Pakistan. It is with respect to that reactor—

Mr. Broadbent: And the use of fuel.

Mr. MacEachen: And the use of fuel. I heard the words of the hon. member, and I will probably return to those words at a future time when it will be appropriate. It is on that point that negotiations are currently under way, and at the moment we are considering what our total approach will be depending upon the results of these negotiations. With regard to Pakistan, we are insisting on the highest possible safeguards. However, please do not ask Canada to

determine what arrangements ought to exist between Pakistan and France. Surely, the French government has something to say about that.

* * *

[*Translation*]

THE CANADIAN ECONOMY

GOVERNMENT MEASURES TO CREATE JOBS FOR YOUNG PEOPLE

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to direct my question to the Minister of Regional Economic Expansion.

I shall spare the minister the official figures concerning the increase in unemployment rate, particularly among people from 18 to 30 years of age. The minister is surely aware of the difficult situation prevailing in Quebec regarding job opportunities. Will the minister tell the House if his department or any other will be able to announce shortly an integrated policy aiming at creating jobs to help those Canadians who urgently require work and must at present depend on unemployment insurance?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, as the hon. member knows, the Department of Regional Economic Expansion has very specific policies. We have general agreements for development with all the provinces, in particular with Quebec. Within the framework of those agreements it is possible to set up developmental programs for specific areas of the Quebec economy. Of course there is the Regional Development Incentives Act which aims at creating more job opportunities. But even so, we still have to wait for entrepreneurs to act because we cannot be expected to take the initiative since we are not given any authority. We can do some research and make suggestions and indeed this is precisely what we have been doing in many areas but we have not always been able to persuade potential employers to avail themselves of those opportunities which would be conducive to some degree of expansion and hence of employment. As for our policy, I can assure the hon. member that we are doing everything possible within the limits of our jurisdiction to bring down unemployment which, we admit, has reached an abnormally high rate.

[*English*]

ANTI-INFLATION PROGRAM—REQUEST FOR ASSURANCE PROGRAM WILL NOT PERPETUATE LOW WAGES IN NEW BRUNSWICK

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is directed to the Prime Minister. Since wage earners in New Brunswick earn up to one-third less than the national average and the decision of the administrator in the Irving case involving New Brunswick workers has caused considerable concern, will the Prime Minister relieve some anxieties and state quite clearly that the operation of the restraints program will not be allowed to freeze New Brunswick wage earners in the position of disparity in which some now find themselves?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is certainly not the purpose of the board or indeed the whole anti-inflation program to prevent various regions of the country from seeking a greater and more fair proportion of the national revenue. On the other hand, the hon. member has to realize it is not the purpose of the board and the program to alleviate regional disparities which have existed in our economy for 100 years and more and which are being tackled, if I can use that expression, by such instruments as the Department of Regional and Economic Expansion. The anti-inflation program itself, however, is not there in order to help or hinder that process.

Mr. Howie: A supplementary, Mr. Speaker. The point of my question was that New Brunswick certainly appreciates the excellent work of DREE but I want to be certain that the program will not work contra to the avowed purpose of DREE.

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NATIONAL PARKS

REQUEST FOR CLARIFICATION OF ENTRANCE FEE POLICY

Mr. Maurice Harquail (Restigouche): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In view of past reaction, especially in the Atlantic provinces, to the department's proposed national parks entrance fee policy, will the minister be making a statement in the near future to clarify the policy since the tourism campaign is or will be getting into full swing shortly?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I will be leaving after the session this morning for the Atlantic provinces, and that is one of the matters I hope to clarify during my visit.

* * *

OLYMPIC GAMES

REQUEST THAT LOTTERY PROCEDURE BE CHANGED TO AGREE WITH ADVERTISING

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in the absence of the Minister of Consumer and Corporate Affairs I should like to put my question to the right hon. Prime Minister, particularly in view of its importance. In view of the fact there were not as many Olympic lottery winners as advertised by the lottery program through its now obviously false and misleading advertisements, can the Prime Minister advise the House whether he is prepared to instruct the Minister of Consumer and Corporate Affairs or others in this government to take immediate steps to rectify this very serious problem in time for the next draw? At the same time will he remedy the unjust manner in which the program has been run vis-à-vis the advertising campaign?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member knows that the federal government does not operate the lottery. If there has been some malfunctioning, I am sure it will be drawn to the attention

of the malfunctioners. As far as the advertising is concerned, if any of it is contravening federal policy or legislation I will, of course, draw it to the attention of the Minister of Consumer and Corporate Affairs.

• 1130

DATE ON WHICH OPERATION OF LEGISLATION TO ASSIST GAMES WILL CEASE

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my supplementary question is for the President of the Treasury Board. Because it has become evident that facilities for this year's Olympics in Montreal will unfortunately not be totally completed on time, and in view of the fact that legislation approved by this parliament for the various fund-raising schemes is intended for the games themselves and not for facilities to be completed at a later date, could the minister advise this House whether the various pieces of Olympic legislation and other direct and indirect co-operation will cease by the end of the games on August 1? If not, how can he justify their continuation?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, we do intend to follow the legislation as enacted by the House. And I hope the hon. member is not suggesting that we should repeal legislation because the stadium will not be fully completed for the Olympics.

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PUBLIC SERVICE

BILINGUALISM BONUS—POSSIBILITY OF DECISION BY ANTI-INFLATION BOARD

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to put a question to the President of Treasury Board.

Could the minister tell the House whether he invited the Anti-Inflation Board to make a decision on the bilingualism bonus in the public service and, if not, does he intend to do so?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, first of all that is not quite where the issue lies. It is whether the description of duties for civil servants should account for the additional complexity due to the fact that they must speak both languages. That matter has been referred jointly by the union and the Treasury Board to the AIB and so far we got no information in that respect.

Mr. La Salle: Mr. Speaker, I have a supplementary question.

Given the objective of this bonus, to the extent that the government will favour payment of this bilingualism bonus within the civil service, does not the minister feel that this bonus should come under the anti-inflation law?

Mr. Chrétien: Mr. Speaker, the government has decided to apply the legislation passed by the House with respect to compensation which must be paid to its employees across Canada.

[*English*]

INDUSTRY

DECLINE IN PRODUCTION—GOVERNMENT ACTION TO REVERSE TREND

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Prime Minister. As Statistics Canada reported yesterday that the index of industrial production took a serious drop in December, the year ending disastrously in this regard, will the Prime Minister undertake next week to outline to the House what the government intends to do to reverse this serious situation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member always does his homework, but he must be a slow reader, because he only read half the report. If he had kept reading Statistics Canada, he would have realized that the new business conditions survey covered 5400 firms across the country and showed an upturn in business expectations, indicating that confidence in the economy may be on the upturn in the business community.

Mr. Hees: A supplementary question, Mr. Speaker. As the Prime Minister knows well, I read those reports thoroughly. The fact remains that the index of industrial production fell seriously in December, the year ending disastrously in this regard. I ask the Prime Minister again, will he come before the House and outline procedures the government intends to take to reverse this trend? Industrial production was down seriously in December and during all of last year.

Mr. Trudeau: Mr. Speaker, my point is this: If the hon. member read the report, obviously he did not understand it all. He is asking us to reverse the trend, but the figures indicate that the trend has already been reversed. If any additional action is needed, I suppose the announcement last night by the Minister of Finance will give further encouragement for increased industrial and raw material production.

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HEALTH

CLOSURE OF HOSPITALS IN ONTARIO—SUGGESTED WITHHOLDING OF CONTRIBUTIONS TO PROVINCE

Mr. C. Douglas (Bruce-Grey): Mr. Speaker, my question is for the Minister of National Health and Welfare. Whereas the announcement on Thursday of last week of the closing of Clinton community hospital brought to ten the number of closures by the government of Ontario, and apparently finalized closures for this time, and whereas at least four of those ten hospitals are in western Ontario and all are in rural areas where transportation and adverse weather conditions combine to inflict severe hardships on residents of the areas concerned, will the minister consider withholding from the federal government's health plan contributions to the province of Ontario the supposed $50 million that the closings are slated to save and use that money as direct payment to the hospitals closed, so that they may continue to provide to those rural

areas the valuable and economical health services now being provided?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I sympathize very much with the problem put forward by the hon. member, especially in his own area, but the hon. member should realize that under the law, the federal government must contribute 50 per cent of hospital operation expenses and that the federal government, and I, as minister, have no authority to do what the hon. member suggests in his question—unfortunately.

INQUIRY WHETHER ONTARIO RECEIVING THE FULL FIFTY PER CENT CONTRIBUTION

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of Wealth and—

Some hon. Members: Oh, oh!

An hon. Member: Wealth and Helfare.

Mr. Scott: Mr. Speaker, my question is for the Minister of National Health and Welfare. Is the province of Ontario receiving under the present formula the 50 per cent it was promised when it came into the contract? Is it receiving that amount in respect of present day medicare expenditures?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I can assure the hon. member that the province of Ontario receives every dollar and cent to which it is entitled under the law. The money is provided under the Hospital Insurance and Diagnostic Services Act by way of agreements with the province of Ontario. I have never had a complaint about this from the province of Ontario since my appointment as Minister of National Health and Welfare or, for that matter, from any other part of the country.

Mr. Scott: Mr. Speaker, may I ask the minister a supplementary question? Does the minister not agree that under the formula now used, the province of Ontario is receiving less than 50 per cent of its actual cost?

Mr. Lalonde: Mr. Speaker, the province of Ontario is receiving exactly what it is entitled to under the law passed by this parliament. The law provides for a cost-sharing formula for hospital operations, under the Hospital Insurance and Diagnostic Services Act. The province of Ontario has never complained that it is not getting every penny to which it is entitled.

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FISHERIES

DECISION ON DREDGING VEDDER RIVER IN BRITISH COLUMBIA—REQUEST FOR REPORT

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, may I direct my question to the minister in charge of fisheries? In view of the imminent spring run-off and consequential threat of further flooding in the Fraser Valley, what decision has the minister's department taken with respect to requests for necessary dredging of the Vedder River in the municipality of Chilliwack?

[Mr. Douglas (Bruce-Grey).]

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I thought that, after consultations, this matter had been sorted out. I will check into it and inform the hon. member. I am sure that he will accept that we must protect spawning grounds.

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BILINGUALISM

REASON FOR NOT CONTINUING FUNDING OF EXPERIMENTAL PROGRAM FOR SECOND LANGUAGE TRAINING

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question to the Secretary of State arises from the announcement with respect to the termination of funding to school boards for second language training in the national capital area. As Mr. Spicer, commissioner of official languages, suggested that we ought to emphasize language training in our school system, perhaps as opposed to emphasizing it in the Public Service of Canada, will the minister explain the contradiction inherent in the dropping of this program, when it had been generally agreed by all parties that it was one of the finest programs the minister's department has brought forth? Dropping the program will jeopardize the future of those in the national capital area already involved in the immersion program.

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, there has been no termination of funding, in the sense that the formula payments will apply to the national capital region, as they apply across the country. This involves the federal government paying 9 per cent of the cost per student in an extended French program. What has come to an end is an experimental program which the boards of education and the province of Ontario agreed, in the beginning, would be a two-year program. Last year they came to me and said, "Listen, we have not completed the experiment; would you help us through a third year?" I agreed. Therefore, the suggestion that we have now terminated the formula payments or payments for the support of extended French training in the national capital region is false.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I concede that it was an experimental program and extended. Judging from the reaction of the boards, there is a necessity for its continuation. As the program will cost about $4 million, whereas the government is prepared to spend $8 million refurbishing the East Block, and as this language program in the national capital area may be the forerunner of similar programs in other parts of Canada if it is allowed to continue, would the minister consider giving the program as high a priority as the government is giving the refurbishing of the East Block?

Mr. Speaker: Order, please.

INCOME TAX

REASON FOR NOT PROCEEDING WITH PLANS TO CO-OPERATE WITH UNITED STATES TO PREVENT TAX EVASION BY MULTINATIONAL CORPORATIONS

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, my question is for the Minister of National Revenue. On June 12, 1973, the minister's predecessor announced in a speech to the Inter-American Centre of Tax Administrators that the government was launching a campaign to crack down on multinationals evading taxes. On November 19, 1975, the current minister announced the formation of a joint U.S.-Canada committee to study the same question. On February 23, 1976, the minister's department announced that because of spending restraints, all such plans had been shelved. While a penny saved may be a penny earned, in this case, does the minister feel that the savings in wages and salaries outweigh the loss of foregone corporate taxes?

● (1140)

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, within a month after my appointment to this portfolio, I met with Don Alexander, the Commissioner of Internal Revenue Service in the United States. We set up a committee to look into how we might act under the Canada-United States tax treaty to get at multinationals and transnationals which are using the tax haven to avoid taxes. Mr. Alexander will be back here following the report of that committee. We will be meeting again. I, like every other minister, would like to have all the resources necessary. Personally, I do not think it is a waste of money. I think it is an investment to get back the hundreds of millions of dollars. To me, a tax haven is anathema. Within the scope that we have, both the resources, financial and man-years, we will do our best to plug these particular abuses.

Mr. Saltsman: Mr. Speaker, there is no question of a tax haven. It is a question of transfer of income from the Canadian tax collector to the United States tax collector. Is the minister so naive as to believe that the government of the United States is going to help us reduce their tax collection in favour of Canada?

Mr. Cullen: Mr. Speaker, I am not so naive as to think we are going to get any co-operation by the use of this anti-American nonsense we hear from time to time. We are trying to work together in the best interests of taxpayers of both countries.

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[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

POSSIBILITY OF APOLOGY TO THÉRIEN FAMILY FOR ERRONEOUS RAID

Mr. Denis Ethier (Glengarry-Prescott-Russell): Mr. Speaker, I should like to put a question to the Solicitor General.

After a raid in a Hawkesbury home on February 19, 1976, at 4.20 in the morning, even though the RCMP had been misinformed by the local police, can the minister tell the House if he will personally apologize on behalf of the RCMP to the members of Mr. Georges Thérien's family who, beyond all question, have been deeply humiliated, and particularly for the messy condition in which their home was left, as he will find out when he reads the report.

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, as the hon. member has pointed out, the RCMP took this action on the advice of the local police. As he said, it was unfortunate that the wrong address had been given. I will bring this matter to the attention of the RCMP and see that a proper apology is made to the people involved.

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EXTERNAL AFFAIRS

SALE OF NUCLEAR REACTORS—AGREEMENT TO PREVENT DAMAGE TO ENVIRONMENT BY NUCLEAR WASTE

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is to the Secretary of State for External Affairs. Can the minister assure the House that when Canada sells a nuclear reactor abroad, there is inherent with the sale a moral obligation to assure that nuclear wastes from that same reactor will not harm the international physical environment?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Yes, Mr. Speaker, there are arrangements within the nuclear co-operation agreements covering the security of the plant and the waste factor involved. There are provisions for continuing consultations to overcome such difficulties.

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ENVIRONMENTAL AFFAIRS

DISPOSAL AND STORAGE OF NUCLEAR WASTE—MEASURES TO PROTECT ENVIRONMENT

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, I will direct my supplementary question to the Minister of the Environment. Has the minister been consulted regarding the safeguards for disposal and storage of nuclear waste as it relates to the protection of the Canadian environment? Does his department have the technical capacity and expertise to adequately advise the government with regard to the return and reprocessing of nuclear waste from reactors sold abroad?

Hon. Jean Marchand (Minister of the Environment): Mr. Speaker, in that field, we advise Energy, Mines and Resources and the provincial governments. That is all we do. We see that they respect the standards of the government.

Oral Questions

ADMINISTRATION OF JUSTICE

EFFECT OF ABOLISHING NOTICE TO SUBJECT OF WIRETAP—GOVERNMENT POSITION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, might I be permitted to make this preamble, because from what I read and hear there seems to be some confusion between the peace and security bill, C-83, and the bill to abolish capital punishment, C-84. They are two distinct bills. I would have directed this question to the Minister of Justice, but I will put it to the Solicitor General because I think he has knowledge of the subject as well. This is a serious question. Apart from the report that was filed yesterday, have there been any studies prepared or background information obtained to the effect that the abolishing of the 90 day mandatory notice to the subject of a wiretap has been detrimental to crime detection and prevents law enforcement officers from doing their job? I would also ask another question since there might be a lengthy debate on this bill because of the problem with civil rights. Instead of repealing the notice section, would the minister consider that the police can always apply to a judge to either extend or abolish the notice?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, some of the material on this subject is available in the annual reports on the Privacy Act which were tabled in this House on February 13. In addition, a study was made, following the passage of the Privacy Act, with all provincial governments and police forces on the efficacy of that act. Some of the recommendations and provisions we have in the bill are a result of that study. In a general way, the police advise that it often takes a considerable time, sometimes several years, to investigate the major figures in organized crime. Consequently, they hesitate to request authorizations for electronic surveillance under the Privacy Act due to the short period of authorization and the fact they may have to notify the suspect before the criminal investigation is completed, which would be a counterproductive measure.

Mr. Woolliams: Mr. Speaker, I appreciate the Solicitor General's answer. I can see that problem arising. In the face of that problem, does he not feel that he could produce a section in the bill whereby the Crown, on behalf of the police officers, could apply to a judge to extend the time, unknown to the subjects being investigated, or abolish the notice altogether in the case of syndicated crime? That is my question.

Mr. Speaker: Order, please. With all due respect, the question concerns the bill itself which will be before the House shortly.

Mr. Woolliams: May I then put this question.

Mr. Speaker: Order, please. I honestly fail to see how the question is relevant to the question period as opposed to the bill itself which is to be before us shortly.

[Mr. Marchand (Langelier).]

AGRICULTURE

CATTLE—REGULATION OF INTERVAL BETWEEN FEEDINGS WHILE BEING TRANSPORTED

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I wish to ask the Minister of Agriculture if he is going to have the time limit of 36 hours between feedings for cattle in transit extended so that the total travelling time of the cattle will be less? If so, when will this provision be put into effect officially? This provision may come under the Minister of Justice, but I am sure the Minister of Agriculture knows about it.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the hon. member is aware that new legislation was passed. The regulations and so on are being put into force. I hope, as does the hon. member, that this will be one of the best systems we have ever had for transporting live animals.

Mr. McKinley: Mr. Speaker, there has been a problem of cattle having to wait too long on sidings during peak traffic periods. Will more facilities be made available at main points from west to east for cattle that have to stop for feed and water in order that they will not have to wait so long on the sidings during peak traffic periods?

Mr. Whelan: Mr. Speaker, these matters are all being considered. I hope the hon. member reads the report of the Western Economic Conference which states that all these cattle should be processed at their source. In western Canada there are some of the best processors that we have. Maybe more will be processed there into a finished product and shipped to market.

Mr. McKinley: I am talking about feeder cattle.

* * *

INCOME TAX

REQUEST FOR INCREASED BASIC EXEMPTION FOR SINGLE PARENTS

Mr. Ron Huntington (Capilano): Mr. Speaker, I have a question for the Minister of National Revenue involving the other end of the income scale. Many single parents supporting children are experiencing great difficulty because people providing day care services will not provide receipts or their social security numbers so that these working single parents can deduct these expenses from income. Will the minister give consideration to increasing the basic exemption for single parents supporting children as a resolution to this rather serious social problem?

Some hon. Members: Hear, hear!

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, I think that question may be more properly directed to my colleague, the Minister of Finance. He passes the laws and we administer them. I will bring this to his attention.

● (1150)

TRANSPORT

REPLACEMENT OF RAILWAY PASSENGER EQUIPMENT—REASON FOR LACK OF GOVERNMENT COMMITMENT

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of Transport. It is in relation to the government's aging rail passenger equipment, some of which is well over 20 years old and is rapidly becoming obsolete. May I ask the Minister of Transport why the government has not made formal commitments to the railways to replace old, outdated railway passenger equipment, which certainly the railways must if they are to provide any kind of credible rail passenger service in Canada?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the policy indicated a short time ago assured the railways with respect to the passenger services which are needed and which will be retained in Canada that they will be receiving an adequate return from a combination of passenger fares and a balance subsidized by the government. Therefore the railways will have the incentive to acquire equipment, and as fast as routes to be served are assessed they will be placing orders for equipment for those routes.

Mr. Murta: Mr. Speaker, I have a supplementary question for the Minister of Transport. Surely, he must know that it takes well over four years at the present time before this kind of equipment can come into service, and the railways have had no indication whatever from the Minister of Transport that they should go ahead. Is the Minister of Transport using this excuse for not purchasing equipment as the basis for the intent behind the rail policy that was announced, and that is the phasing out of rail passenger services in Canada?

Mr. Lang: No, Mr. Speaker, that was not the intent behind the policy. It was stated quite clearly in the policy that it is our intent to have good passenger service where it is retained and to phase out passenger service that simply cannot be supported on any basis because of available alternative service at much lower cost. I hope the hon. member will appreciate that principle and understand its implications. Obviously, it takes time between ordering equipment and acquiring it. The several weeks of time that has elapsed in this process will not make very much difference. Even now, of course, the railways, with assurance of support from fares and subsidy, could be making plans to acquire the equipment they will need to replace aging equipment.

DATE AND PLACE OF HEARINGS INTO RAILWAY PASSENGER SERVICE

Mr. Jack Murta (Lisgar): A final supplementary, Mr. Speaker. I do not agree at all with the minister and his assumption, but can he inform the House when the CTC hearings into rail passenger service will commence, and can he also inform the House in what parts of the country they will be held?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will be glad to make sure that as soon as dates and places are known the information will be made available to hon. members. It was not on the basis of assumption that I was asking the hon. member to agree with me, but simply a question of reading the policy statement and understanding it.

* * *

ANTI-INFLATION BOARD

DATE OF DECISION ON INCREASES IN INSURANCE PREMIUMS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, in the absence of the Minister of Finance may I direct my question to his parliamentary secretary? Three insurance industry executives have criticized the indecisiveness of the Anti-Inflation Board regarding future premium increases in both property and auto insurance. They have stated that: "We anticipated a continued upset market in the short term", adding that they are still seeking clarification regarding the AIB ground rules. Would the parliamentary secretary to the minister inform the House when he expects the Anti-Inflation Board to make a decision regarding insurance increases?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, in the absence of the Minister of Finance, I take the question as notice and I shall ask the minister to reply to the hon. member as soon as possible.

[*English*]

Mr. Darling: A supplementary question, Mr. Speaker. Would the President of the Treasury Board also get an answer to this question. Does the minister not agree that Anti-Inflation Board indecision and inability to clarify its regulations is generating a serious lack of confidence in the efficacy of the board?

Mr. Chrétien: Mr. Speaker, again I will be delighted to be the messenger of the member.

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EXTERNAL AFFAIRS

APPOINTMENT OF AMBASSADOR TO JORDAN AND BY SAUDI ARABIA TO CANADA—GOVERNMENT POSITION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Considering that the government has established an embassy in Saudi Arabia but that that country has not reciprocated, can the minister advise whether he has any indication as to the appointment of a resident Saudi Arabian ambassador to Canada; and to balance our representation with Jordan, when will Canada appoint a resident ambassador at Amman?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, when I visited Saudi Arabia a few weeks ago the foreign minister told me that it was the intention of the government of Saudi Arabia to

open an embassy in Ottawa and establish a full time ambassador within a few months. That was an extremely welcome development and indicates the interest that Saudi Arabia is taking in Canada.

I believe the hon. member asked about whether we proposed to establish a resident ambassador in Jordan. On that point, we have not yet reached the decision to take such a step in view of the many priorities that face the department; but I can tell the hon. member that, as a result of my visit to Jordan and my discussion with King Hussein and the Prime Minister, I am satisfied that there is expanding opportunity for co-operation between Jordan and Canada.

RHODESIA—POSSIBILITY OF INVOLVEMENT IN SETTLEMENT OF CONSTITUTIONAL PROBLEMS AND AID TO REFUGEES

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is for the Secretary of State for External Affairs. Would the minister please inform the House whether, in view of the deteriorating political situation in Rhodesia, the Canadian government, as a leading Commonwealth influence, is involved in the planning for a constitutional settlement in Rhodesia; and is the government preparing any special contingency plans to help minimize tragic events and relieve an emergency refugee situation in that country?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I am aware of the political developments in Rhodesia, but as a member of the Commonwealth we are not playing any particular role in the direct search for a political solution at the present time. Obviously, if a refugee situation develops I am sure my colleague the Minister of Manpower and Immigration would consider what could be done under the refugee criteria, but it is not apparent at the moment that such a situation will arise.

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AGRICULTURE

COW-CALF STABILIZATION PROGRAM—DATE OF ANNOUNCEMENT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Minister of Agriculture. In view of the statement yesterday by Gordon Park, president of the Canadian Cattlemen's Association, that "consumers may never again see beef prices as low as they are now as producers are reducing their herds", because of low prices for the producer himself, and in view of the fact that there will be a shortage unless something is done to improve prices for the producer, can the minister give us a commitment today that he will very soon be announcing a national stabilization program or some kind of program for the cow-calf operator?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am surprised the hon. member would quote the president of the Canadian Cattlemen's Association. He did not quote the full text of what that gentleman said because he said he did not want the government to do anything. He did not want any kind of plan at all for the cattlemen of Canada. I must say I disagree with the president of the Canadian Cattlemen's Association, because if you followed his philosophy people would not be able to buy beef.

Mr. Nystrom: A supplementary question, Mr. Speaker. That is precisely why I quoted the president of the Cattlemen's Association. Even he is forecasting a shortage. My supplementary question is to ask the minister to answer my question. Can the minister give us a commitment that there will be a program so that farmers can plan, and when will he make this announcement?

Mr. Whelan: Mr. Speaker, I have answered this question several times in the House. I said earlier in the year that there would be a program for beef from January 1 to the end of December for the year 1976. We had a meeting with the minister of agriculture from the province of Saskatchewan, I believe—I have forgotten his name right now—

An hon. Member: Whelan.

Mr. Whelan: —but he is having problems with his own provincial treasury board which seem to me to be even much greater than those I am having when it comes to helping the farmers.

REDUCTION BY CANADIAN BROADCASTING CORPORATION IN TIME ALLOTTED TO FARM NEWS BROADCASTS—GOVERNMENT POSITION

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is also directed to the Minister of Agriculture. It relates to CBC farm broadcasting, particularly farm news, on CBC radio. In light of the steady reduction in time allocated by CBC radio to farm broadcasting right across the country—for example, there has been a 50 per cent reduction by CBL in Toronto in the last ten years—would the minister advise the House whether this broadcasting time reduction by the CBC has either his acquiescence or support and, if not, what representations he has made to the Secretary of State in regard to restoring a reasonable and acceptable level of farm news broadcasting on the CBC?

● (1200)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, perhaps what I said to my colleague the Secretary of State concerning my view of what they are doing would not be considered Parliamentary language. I think it is deplorable that they are curtailing farm broadcasting, especially in the Toronto area. It has been good in a way because now the private sector has started broadcasting farm news and found it is one of the most popular programs they have. They went from ten minutes to 50 minutes in a few short weeks and have a listening audience of over one quarter of a million people in that area, and it is expanding very rapidly. So, if the private sector can do this, and maybe better than the CBC, more power to them.

CANADIAN BROADCASTING CORPORATION

REDUCTION IN FARM BROADCASTING—POSITION OF MINISTER

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my supplementary question is obviously for the Secretary of State. Does he support the CBC position that farm programs are "ghetto" broadcasting and therefore ought to be eliminated, even though eliminated gradually to avoid the obvious uproar which would occur if such programs were axed overnight?

Hon. James Hugh Faulkner (Secretary of State): Of course not, Mr. Speaker. I do confirm what my colleague the Minister of Agriculture said, that the language used in his representations to me on this matter transgress normal parliamentary usage. Nevertheless, this message was conveyed to the corporation. I think this is a question that maybe members will want to raise with the corporation when its estimates are before the Committee on Broadcasting, Films and Assistance to the Arts.

* * *

INQUIRY OF THE MINISTRY

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a Friday morning question for the Prime Minister in the interest of historical perspective. Considering that the right hon. gentleman is bolstering his office with those splendid retreads from the Pearson years, Mr. James Coutts and now Mr. Richard O'Hagan, I would ask if Walter Gordon and Judy LaMarsh have been asked to rejoin the government?

Some hon. Members: Oh, oh!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I was shown the press clipping which spoke of Mr. O'Hagan joining my office, of which I am very pleased. I noticed that right next to it there was an item concerning one Bill Neville, who had been with Judy LaMarch and who is now being reused by the Leader of the Opposition.

Some hon. Members: Oh, oh!

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

DISPOSITION OF PRIVATE MEMBERS' HOUR FOR REMAINDER OF SESSION

Hon. Mitchell Sharp (President of the Privy Council) moved:

That commencing on March 1, 1976, and for the remainder of the session, Standing Order 15(6) be suspended.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I want to thank the government House leader for acceding

to the suggestion I made under Standing Order 43 some days ago, to which I understand he was personally agreeable at the time but unfortunately someone said "No". Despite our diligent efforts, he and I have not been able to trace down the person who said "No". It is important we recognize that what has happened here is that this particular session of parliament has reached record limits, as you yourself indicated the other day, Mr. Speaker. We have now reached the point where in order to preserve the rights of the private member the government has seen fit, in this long session, to put this motion forward. If there is a message in this, that message is twofold. It is, first, that the private member is important in parliament. Parliament is not just to serve the government's interests, but to serve as well the interests of the private member.

More important than that, I think there is the message here, as well, that it does not sit well for this institution, for the public it serves or for the members who serve here, that a session should go on and on indefinitely with no opportunity in the normal course of a throne speech debate for backbenchers on all sides of the House to engage in an examination, on behalf of their constituents and the country, of the government's handling of all its affairs.

While this motion is welcomed, I think it points up the fallacy of this government's thinking in terms of this parliament. This parliament is not the tool of the government; this parliament is the servant of the people of Canada and the people who send us here. The people of Canada are anxious to have members here, not just in the opposition but on the government side, examine the government's economic record, its statements and the direction in which it is going, as well as how the economy is going and all the other things. Because of this long session, this fundamental right of private members, in our free society under the parliamentary system, is being denied. I want to take this opportunity to protest the tactics of the government in respect of this long, long session, which you yourself indicated a few days ago, Mr. Speaker, had broken all records.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, if the government and the official opposition are both in support of this motion, there does not seem to be much point in leading a campaign against it. I want to make the point, however, that it is nothing but a sop and I am shocked that the official opposition has bought it so easily. The proposal in this motion is to restore one of the losses that flows from our not, by this time, having begun a new session. The one loss it would restore is that of having private members' hour on Mondays and Tuesdays. That is all it is. It is just a sop. I was surprised that my friend, the hon. member for Grenville-Carleton (Mr. Baker), asked for it and I am surprised that he bought it so readily.

Mr. Baker (Grenville-Carleton): I did not buy it readily at all.

Mr. Knowles (Winnipeg North Centre): The hon. member says that by passing this motion we are asserting the fact that this parliament is not a tool of the government. The very opposite is the case. The willingness of the government to present this motion is based on the fact

that the government has decided that this session of parliament is to go on and on. Parliament is being made a tool of the government.

As the government House leader knows, whan I had words with him about this matter of the session going on and on his reply was that in cabinet they had wrestled with this issue long and hard, but this was the decision. Was there any consultation with parliament about it? Surely if parliamentary sessions are to become two-year propositions, or maybe three or four years, instead of one, that should be a matter about which parliament should at least have something to say. But we have been completely denied any such opportunity. I doubt whether even the Liberal backbenchers are having any say about it. They are losing heavily by there not being a new session. The decision about the length of the session has been made by the government. Parliament is just a tool in the government's hand so far as the length of this session is concerned.

● (1210)

My main complaint is that we have no input insofar as this decision is concerned. It is a governmental decision which affects the length of the session of the Parliament of Canada. You, sir, pointed out a few days ago that we had reached the number of days that was the maximum number of days for a session up until that point. We have now exceeded it. Today we are in the 254th sitting day. Not only is this the longest session in terms of number of sitting days; it is also the longest session in terms of elapsed time. This session commenced on September 30, 1974. In a day or two, whenever this 29-day month ends, this session will have endured through 17 months. That has never before happened in Canadian history.

Indeed, sir, during the first 30 years of the history of the Parliament of Canada each of the sessions was always within the same calendar year. It is only in latter years that there have been four or five occasions when the length of the sessions, whether in two or three calendar years, has been more than 12 months. I point out that in Britain, where they do not even have a constitution about these things, they nevertheless have rules and traditions which are such that in May's eighteenth edition the reference is clearly made to annual sessions. A session starts in October. The book says that even if there is an election in the meantime, so that a session cannot start in October but has to start later than that, it must end prior to the next October so that there can be a new session commencing in October.

As I say, May points out that this is provided, not by a constitution, since the United Kingdom does not have a regular constitution, but by rules affecting financial enactments, and so on. Indeed, there is a very interesting bit on this in May's in which it is pointed out that even the Crown's prerogative has been circumscribed in this respect. If the British tradition is worth anything, it is a fact that we should get a new session of parliament at least once every year. In our own case it is dealt with in an oblique way in the constitution. Section 20 of the British North America Act provides:

There shall be a session of the Parliament of Canada once at least in every Year—

[Mr. Knowles (Winnipeg North Centre).]

I think if it had stopped there we could say that there has to be a session and that indeed a session must begin at least once in every year, but the illustrious Fathers of Confederation went on and added these words:

—so that twelve months shall not intervene between the last sitting of the Parliament in one session and its first sitting in the next session.

I have to say that legally all that guarantees is that there shall not be 12 months between the end of one session and the beginning of the next. I think the reason for that was that in the early days sessions lasted only two, three or four months and the Fathers of Confederation wanted a guarantee that if there was a session in January, February and March of one year, the government could not get away with the one session per year proposition by holding one in October, November and December of the next year. There had to be not only a session every year but those sessions had to be called so that there would not be a full year's absence at any time.

Mr. Speaker, I am prepared to listen to an argument that perhaps all of this should be changed. I can even imagine arguments being made in favour of having only one session for the whole four or five years. I can think of arguments against having speeches from the throne, speech from the throne debates, and so on, but if the traditions of this place are to be changed, let parliament be in on it. But parliament is not in on it. The government is making the decision and the official opposition is swallowing this sop to parliament which is being offered in lieu of starting a new session.

Mr. Paproski: Stanley, you know we are with you.

Mr. Knowles (Winnipeg North Centre): Good. The idea of the Speech from the Throne is that once in a while the government has to set down its program for the year. We are operating on a program for the year that was given to us on September 30, 1974. The government is bringing things in now that were not in that Speech from the Throne, as well as things that are the very opposite to those mentioned in the throne speech. The whole principle of the Throne speech is being thrown to the wind.

It is also part of the tradition that once a year members of all parties on both sides of the House—I mention particularly members on the government side—should have the right to discuss the government's program in general, and that comes in the debate on the Speech from the Throne. As a matter of fact, my friends on the government side are losing more by this than we are. We have opportunities to speak, but the opportunities that are there for government members in the debate on the address in reply to the Speech from the Throne are being sacrificed by this. It is being said in the House, and the Prime Minister (Mr. Trudeau) is quoted as having said outside, that this session will go on until June. If it is to be June, why not the fall; and if the fall, why not go on and on? We are completely changing the whole tradition about annual sessions and annual throne speeches without any parliamentary input whatsoever.

I come back to the words of my hon. friend when he said this parliament is not a tool of the government. That is precisely what the government is doing to us. It is using us the way it wants to. The government says it does not have time for the debate on the address in reply to the Speech

from the Throne, that it cannot afford the eight days. I suggest that we might compromise, reach an agreement to cut the eight days to six days, or something like that. But we should not do away with it all together without any consultation with parliament. The government House leader can say that he told us about it. But he did not ask our opinion. He just told us that the government had wrestled with this issue and had made the decision.

I know one of the arguments the government uses at this stage of a session is that there has been parliamentary time invested in some legislation, and that if the session prorogued and we started a new one, some of these things would have to start all over again. About the only bill that that would affect is Bill C-68 which has had a fair amount of parliamentary time devoted to it at second reading. It should be shelved in any event. It has no value, anyway. The government ought to recall the whole business. As we have heavy legislation coming up such as Bills C-83 and C-84, now is the time to start a new session. Let us not start this debate in this session. Let us have a speech from the Throne, a new session next week and then take that new legislation at the start of another new session.

There are quite a few other things. One of the problems around here is the amount of paper we have at our feet under our desks because the session is lasting so long.

An hon. Member: Mine is bilingual.

Mr. Knowles (Winnipeg North Centre): If it is in both languages, the volume is that much greater. Another thing, of course, is that decisions taken in this session cannot be the subject of motions again in the same session. Some members have private members' public bills or private members' resolutions which they would like to get a crack at once a year. However, they will not get a crack at them once a year but, rather, once a session. Then there is the problem of the budget, and so on. I know there can be half a dozen budgets in one session, but surely there is some sense in the tradition of a session each year and budgets, and so on, being contained within that session. Frankly, I do not like the change that is being made, and this little sop of giving us back an hour on Mondays and Tuesdays does not answer the proposition at all.

● (1220)

Sir, it will be no surprise to you when I say that I have studied the authorities on this quite thoroughly, and if I could find a point of order or a question of privilege on which I could contend that you should tell the government it has to close the session, I would be presenting it to you. I know that neither in our books on procedure nor in the British books can this be found. But the tradition is so clearly established and the years of our history are so much on the side of parliament that I think what is being done is completely wrong.

I am not against getting private members' hour back, although it is not a great deal of help if you have already had a shot at your bill and you cannot get it again in this session, just to get the days back, and there are some problems that arise. What concerns me most of all about this is the high-handed, dictatorial way in which the government is making the decision. When I came in this morning, one of the elevator operators or one of the messengers said to me that he had heard on the radio that such and such was going to happen, that the session would be continued, and so on. I asked him where he heard all that. He told me that it was attributed to the Prime Minister. Who is this Prime Minister? This is parliament. We should have some say about our own operations—and we are not having any say about it; we are not even being permitted to follow the traditions of Britain for hundreds of years, or the traditions of this parliament since 1867, because the government finds it inconvenient to stop for a throne speech debate thereon and inconvenient to have to transfer some legislation from this session to the next.

I think this is wrong, I think this is another example of the high-handed, dictatorial attitude of this government and I protest it as strongly as I can.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I just want to add a few words because the member for Winnipeg North Centre (Mr. Knowles) just presented us a fantastic account of all parliamentary traditions concerning the Speech from the Throne. First we were surprised to hear the rumour that there would be no Speech from the Throne, something which has just been confirmed.

I think this is another failure of the government to direct the discussions in the House. As you said recently, this is the longest session ever as a result of the lack of planning of the government business and of its stubborn refusal to accept the decisions of the majority in the House. Once we start rejecting the decisions of the public and then those of the majority of the members, we get the results we have today—we extend the session. I am afraid this extension will last one year, for when the attorney general introduces the same legislation three times because 90 per cent of the population disagree with it, and when he insists on having it passed, such stubbornness, as we know him, will last for a year.

We are talking about the end of this session, Mr. Speaker, and we are sure that it is not near completion, taking into account the government's stubbornness in having these ridiculous bills passed, bills that are anti-social and that are against the will of 90 per cent of the population. We would have preferred a Speech from the Throne to know at least where the government wants to lead us. We now have the impression of running to disaster. I believe that is what is in store for us. That is why we are against the government's motion. All we ask for is that the usages and customs of this House be respected and that people know what the government seeks to introduce in this House and what we will be doing in the next twelve months, in order to plan work and thus take a direction. At the present time, we are completely in the dark and every day the government introduces a new matter. As I said, that is why I am against this motion.

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am surprised that the House leader has brought all the members of parliament into this problem of the length of sessions and the problems which develop from it. It seems to me it would have been much more advantageous not to have raised the subject at all. This gives members an opportunity to object to some of the things that have

happened as a result of this long session and some of the problems that this has caused.

Hon. members will remember that when the Standing Orders were changed, they were changed on the basis of the fact that we had had a number of long sessions and many of the changes that were brought in were to assist the government to wind up the business of the House on an annual basis, which was not possible under the old rules. Originally, there was no limit under the Standing Orders as to the number of days when private members' and public business could be brought in under private members' hour.

One of the reasons the 40-day limit was put on private members' hours was to allow the government, in the last two or three months of the session, to be freed from private members' hour so that this extra hour could be used for government business. It was not, as I think the hon. member for Grenville-Carleton (Mr. Baker) said, to take any of the privileges away from private members. It worked that way, but that was not the purpose of the change. The purpose was to assist the government. I have been here long enough to know that we never do anything in this parliament to help private members or to help the opposition. But I have never seen the opposition House leader go so far to help the government run its own affairs.

We have always made concessions which have resulted in the cutting down of rights of private members and have been to the advantage of the government. The new rule, under the Standing Order, to put the 40-hour limit on private members' hour was to help the government and it was certainly detrimental to members. It was never anticipated, when the rules were changed, that we would have a five-year session. There is some comment in the press that it may not only be a five-year session but that we may have seen our last election, that we may continue indefinitely until some other justification forces a change in the situation. I do not think that we have gone quite that far, and I doubt whether many hon. members will agree that we have, but if we have a five-year session, as the hon. member for Winnipeg North Centre (Mr. Knowles) has pointed out, it is only a matter of degree. When you waive the rules and you make changes of accommodation for a specific purpose, you should look very carefully at that purpose.

● (1230)

The system under which we operate is not just one word for the opposition and two for the government: it is considerably more than that. What are we really saying? We are saying that if we do like the "fighting opposition", which today appears to be a quiet little pussy cat, and if on the part of the backbenchers we agree to this small concession, it seems to me that we will also have agreed, without any discussion, that this session will continue and that there will be no throne speech.

What is the throne speech for? As I understand it, it gives the government an opportunity to come before parliament and to state its agenda for the months ahead, to indicate to him what direction it is going and to outline what kind of program it will have for the future, usually for a period of less than one year. The throne speech originally started out for sessions which were only a month or two long, but that period of time has grown considerably.

If the hon. member for Grenville-Carleton had been in the House for a considerable period of time, he would know that one of the greatest advantages a private member once had in this House was his opportunity to reply to the Speech from the Throne. In their replies to the Speech from the Throne, hon. members could air their own views and those of their constituents. I remember that when I first came here everyone was able to go on a tour of the riding of the hon. member who was speaking. They learned how nice the people were, how beautiful the scenery was, what type of industry there was, and in a social sense it was a helpful, geographical trip around and hon. member's riding. That was really the only time an hon. member could make a speech which outlined the direction in which he wanted to go. This has changed, but so have conditions. I think it would be very hard to find a time, with the exception of wartime, when a government has made the major changes in its philosophy that this one has in the last six months.

It is interesting to consider the direction in which the government was going in the last throne speech. At that time it was against wage and price controls, and very much against many of the things which have been implemented since. The country has a right to know what the government intends to do.

We will certainly miss my colleague, the hon. member for Winnipeg North Centre. The history of parliament follows him back many years, many generations, and sometimes many centuries. He made a very astute observation a moment ago. The government House leader walked between Mr. Speaker and the member speaking.

Mr. Knowles (Winnipeg North Centre): Between Mr. Speaker and the mace.

Mr. Peters: More than that; he walked between the mace and Mr. Speaker. We have moved so far away from observing the rules of parliament that before very long it will be difficult to run parliament in a way in which we can depend on the rules and regulations. Parliament has in the past always been accustomed to altering the rules by unanimous consent only, but today we are not being asked for unanimous consent. We have a motion before us in which, in effect, the government asks for a very small concession, and in return for that we are to give up the right of having the throne speech. It has been pointed out that there has already been some concession made in this discussion, and I hope that very small concession which has been made will be repeated by the House leader and that he will give us an indication, before this motion is passed, that there is an intention at some point in time of having another session of parliament and another throne speech.

I believe that a throne speech serves a purpose. I believe that the hon. member for Grenville-Carleton, who initiated this concession, will agree that many members of his party would like to raise matters in the House which are not directly related to legislation which will be before parliament. They may be issues which greatly affect their ridings and which they would like to bring to the attention of the nation. The throne speech is one of the few

times during a parliament that they have the opportunity to do so. The hon. member may have provided a slim substitute for that type of representation to a very limited number of his colleagues who have private members' business on the order paper, in lieu of the right which he may give to a large number of our members, particularly on the backbenches, who have to use this method to get messages across which may or may not be connected with the legislative business of the House, which may be rather parochial but which are very important to their ridings.

The throne speech used to be followed by a very long debate. That debate has now been cut to eight days. The length of the speeches has been curtailed by the new Standing Orders. There have been limits of all kinds applied to the individual backbencher and it seems to me that in view of the concessions which we have made, a fair and reasonable government should retain for us at least a regular forum; and the elimination of the throne speech and a new session appears to me not to meet that purpose. I am sure there are other factors involved. I am sure there are arrangements which have been made for operations in this House which are still on a sessional basis and which will continue unrenewed as long as this session lasts.

There may be others apart from members of this House who are affected. I do not like to appear, as some of my hon. colleagues may, to be a traditionalist and always to honour some of the traditions which have been built up, but I have found that every time we have given up some traditions, we really have given up the privileges of private members of this House and strengthened the hand of the government. This always happens.

Mr. Baker (Grenville-Carleton): Did you hear that, Stanley?

Mr. Peters: I can think of no example in the changes we have made to the rules which has improved the lot of the individual member in relation to his duties to parliament. Where there has been a change, it has been in favour of the government rather than of the individual member. There is no question about that. Our country has grown in size. All one need do is look at the map of my riding to realize there might be a better way of handling some of this growth. However, leaving that aside, the country has grown, budgets have grown, the number of people has increased and so has our wealth. Obviously, the problems have increased. However, I think of many of the traditions we observed, and of which one was an annual session with a throne speech at the opening of parliament and getting from the government a new direction.

● (1240)

We are now getting direction by changes in legislation. Recently a totally new approach to the penal system in Canada was introduced under the guise of changes to the Criminal Code. These did not flow from the last throne speech, but have developed since and do not relate to anything in the past. But they are major changes, Mr. Speaker. The anti-inflation legislation did not relate to social changes indicated in the throne speech for this session. None of the changes we are now facing in legislative procedure flow from that source.

While members always want to co-operate with the government, and while members always want to make it easier for the government to get its business done, we will find that not only are changes being made but we will shortly be asked by the President of the Privy Council (Mr. Sharp) to lengthen the hours to sit on Saturdays and to extend the hours on Friday evening. These changes will be introduced for the benefit of the government. I am surprised at the "pussy cat" official opposition and their smooth and purring manner toward the way in which the government is going to govern and operate this House.

Mr. Paproski: It takes a cat to know a cat.

Mr. Peters: There are different kinds of cats.

Mr. Paproski: Just different from the pussy cat.

Mr. Peters: There may be some desirable ones that are a little more fighting than others. It just seems to me that a pussy cat can be too quiet, particularly when someone may be near to stepping on its tail—and that may happen at any moment.

Mr. Ellis: You never saw the leopard change its spots, either.

Mr. Peters: That is another kind of cat. If the adjective were applied to me, I would be quite happy with it. I have always been afraid that there are factors that can make one change one's spots after a while.

I have come to the conclusion that many of these rules that we have in this House were designed originally for the benefit of the individual member. As the British system started out originally, it guarded the supremacy of the individual member. It made the individual member paramount in the parliamentary structure. Over the years we have given away some of those rights for cabinet government. Now cabinet government is not really cabinet government; it is run by experts behind the cabinet, and the experts have decided not to spend time on a new throne speech and go through the process of having a new session. Whenever the end of this session does come, it will be interesting to see the picture that is taken. A picture is generally taken each session, and in the next one some members will have long, white beards because of the length of the session. History will be interested in the decline of the Rip Van Winkle attitude of the official opposition to some of the rules they should be defending, but are not.

There is another side to this coin. I hope I am misrepresenting the official opposition and some of the pussy cat backbenchers on the government side as well. There appeared to be considerable objection from the official opposition yesterday to a private member's bill. I would not like to think that IAC Limited had persuaded some members of the opposition and government backbenchers that more time was needed to introduce that particular bill. Obviously, it should have been introduced very early in the session if there was to be any hope of getting it passed. I hope there are no ulterior motives in the introduction of this amendment that seems to get so much support from both sides of the House.

The hon. member for Winnipeg North Centre indicated that he had looked through all the rules and precedents and had examined our pseudo constitution—

An hon. Member: Oh, oh!

Mr. Peters: My hon. friend laughs; maybe he has never looked at what we call the constitution. It is not a constitution in the sense of constitutions that are written for other countries; it is a statute of Westminster given to us by the British parliament on agreement of the provinces and the federal government. It certainly does not cover many of the things a constitution should cover, which obviously would establish in the regulations for parliament the length of sessions and many of the other rules that are not written into our Standing Orders and flow only from the British practice adopted by us as being applicable to Canada.

Looking back over those precedents, Mr. Speaker, I think there has been a tendency in Canada—and at one time there was a practice—of having a throne speech and then a budget. Both debates were fixed and were held very early in the session. Only in relatively recent times have we had more than one budget in a session, and those budgets do not necessarily follow the throne speech but come at various periods during the session. To some extent they do the same thing as the throne speech; in a financial way they outline the changes of attitude of the federal government, the cabinet and the government's financial advisers.

As conditions changed oftener than once a year, we ended up with a major budget and a mini-budget. Recently we have had more than one mini-budget in one session. While that is not a bad thing, it is a change that has developed without taking anything away from the operation of parliament. In fact, it allowed parliament to know the new direction the cabinet was taking and allowed members the full right of addressing themselves to the financial matters in the budget.

If records are kept, I think it will be very clear that whenever a mini-budget has been produced all parties have been in agreement with reducing the number of days required for discussion. This has been possible by members making concessions to the government. In some instances the government may have felt that some of its own members and the opposition were being conciliatory in considering requests to shorten the speeches and the length of debate when a budget was introduced for a specific purpose that might have limited application. That cannot be true of a throne speech, however.

Major changes have taken place in the direction of this government. The government has moved from one side of the street to the other, adopting a program with which the Conservative party went to the people in the last election. Strangely, the opposition now opposes the implementation of that proposal.

● (1250)

An hon. Member: It isn't in the same form.

Mr. Peters: Of course it is not in the same form. Probably it is worse. But the people gave no mandate for this program: they rejected it. The Liberal party fought wage and price controls during the election, and the people decided to reject controls.

Mr. Howie: Then why are you giving the government a vote of confidence?

[Mr. Peters.]

Mr. Peters: The hon. member's party is showing confidence in the government. It is saying, in so many words, that the government need not give us a blueprint of its proposals, that it need not call a new session and can continue the present session. In return, the hon. member's party wants private members' hour Mondays and Tuesdays in addition to the Thursdays and Fridays private members' hour allowed in this part of the session.

The NDP say there should be a new session. The opposition has elected a new leader and it may change direction to the right, not to the left. I think the country is entitled to know what the opposition proposes, as well as what the government proposes. If both parties have redrafted their blueprints for action since the last election, the country is entitled to know. In which direction are the parties going? This point is important. It should be debated at length and, as far as I am concerned, voted on. I suggest that the opposition House leader misled his party—unintentionally, because he does not understand what he proposes. Perhaps, on reflection, he and his party will reconsider the proposal. I suggest it runs counter to their philosophy and therefore ought to be reconsidered.

A speech from the throne allows the government to state its position and also allows the opposition parties to set out their positions and criticize government policy. As a rule, the speech from the throne reflects the government's assessment of the situation only a short time ahead. In my opinion, it should look no more than one year into the future. Originally, it applied only to the next two or three months. As I say, it should cover no more than the following year. The opposition has the right to make counter-proposals. Certainly the Conservative party would want to do this at an early date.

The throne speech, apart from allowing the government to tell the country what it intends to do, gives rise to debate in which backbenchers can voice the problems of their constituents. Not for a long time have backbenchers been given this opportunity. At one time backbenchers were given many opportunities for raising the problems of their constituencies. I can remember many fruitful debates on the estimates, sometimes lasting several months, in which private members could speak about the problems of their constituencies. Those debates were wide-ranging. There was a grievance period connected with committee of supply proceedings when backbenchers could raise grievances. I am sure many hon. members would welcome the opportunity to voice the concerns of their constituents and to comment on forthcoming legislation. They will be denied that opportunity unless we decide to begin a new session.

All the machinery for beginning a new session is in being. The Governor General is well, the necessary functionaries are available, the Queen's Printer's department has been enlarged, and speech writers have been hired. No doubt the speech from the throne would be interesting. In recent years it has been the practice of the government to print, along with the speech from the throne, background documents setting out the government's philosophical position. We need to know the government's philosophical position.

The Conservative party and my party were intrigued that certain statements made recently over the broadcast

media and heard nationwide could lead one to conclude that this government is leading in a certain direction. Frankly, there is little danger of parties in this House amalgamating. But there may be reason for thinking, on the strength of some philosophical pronouncements made publicly, that the government is going far to the left, in a socialistic direction. Possibly the Liberal party is going far to the left. This could become a socialist government. If so, we should look at its program.

May I call it one o'clock, Mr. Speaker?

Mr. Deputy Speaker: Order, please. It being one o'clock, I do now leave the chair until two o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Peters: Mr. Speaker, now that members of the official opposition have had an opportunity to contemplate over refreshment, I am sure they will agree that any concession offered in lieu of a formal throne speech and the beginning of a new session, with a blue print of where this government is going, is not a good deal. I am convinced they will support members of my party who believe it is in the interest of parliament and the country to have this blueprint, and the opportunity for that should be provided in a new throne speech. For that reason, we are opposed to making this concession in lieu of a throne speech.

An hon. Member: He usually has a lot to say.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I did not expect the hon. member for Timiskaming (Mr. Peters) to resume his seat so soon. Characteristically, I thought he would take the full time allotted to him. As such, he has another five minutes.

Mr. McGrath: As the hon. member just interjected, he usually has a lot say. He seems to have wandered all over the place today.

I find it a little difficult to understand what this debate is all about. It seems that what we are debating is a move which should surely meet the general consensus and approval of the House. Let there be no mistake about that. I would have expected hon. gentlemen who are distinguished members of the New Democratic Party to be foremost in the advocacy of the rights of private members of this House and the right of private members to have their day. Surely that is what this resolution is all about. Hence, I find it very difficult to understand the position taken today by the NDP, particularly the position taken by the NDP House leader, that great expert on parliamentary procedure, the hon. member for Winnipeg North Centre (Mr. Knowles).

I suspect that perhaps the position of the NDP with respect to Bill C-68 may have something to do with the debate that is now under way. They might be a little worried that they do not have enough troops here today to carry the debate. In that regard, I wish to assure them that we have no intention of allowing Bill C-68 to pass without proper debate.

I would like to say this to the hon. member for Winnipeg North Centre who is an expert on rules and on parliament: surely he should be the first to know that the government not only has the right, but the responsibility to manage the business of the House. If the government decides that the session should be two years long, that, in fact, is the right of the government.

Mr. Knowles (Winnipeg North Centre): Shame!

Mr. McGrath: No one can question the right of the government to manage the business of the House. Consequently, we can have one parliament comprising one session, if that is the wish of the government and their management of the business of the House and the business of the country. Of course, they have to account for that management and stewardship. Let us set the record straight as far as this session is concerned. This has been a long session. Nobody will deny that. However, let us not be hypocritical about it. We have had very useful debates and we have had extended debates.

Let us take Bill C-2, for example. No one can say that we did not have an opportunity to debate the amendments to the Combines Investigation Act. We had an extended debate. Indeed, in that regard the government showed great patience. The same can be said for Bill C-58. It was a long debate, and rightly so because it was an important bill. Of course, the same can be said for Bill C-68 which is now before the House.

Let us not get hung up on this nonsense, this hypocrisy about having to terminate the session. What is so special about a Speech from the Throne? The government usually ignores what is in it, anyway. It is usually filled with platitudes that they recycle at the beginning of each session. What is so sacrosanct or special about terminating the session to get another Speech from the Throne? There is nothing special about that at all. I suggest that we get on with this.

I commend the hon. member for Grenville-Carleton (Mr. Baker) for standing up for the rights of private members in this House and for getting this agreement with the government to restore private members' hour by waiving the provisions of Standing Order 56. I say to the hon. member for Winnipeg North Centre that many private members' bills have yet to be brought forward in this session, and who knows how long the session may last? Only the government can determine the length of a session. Only the government has responsibility for managing the business of the House. Let me say to the government that we should get on with it.

● (1410)

My principal reason for interjecting in this needless debate is to suggest to the government House leader that he give consideration, since he has already given an undertaking to look again at private members' hour, to providing some kind of mechanism within the government structure whereby private members' bills are vetted by law officers of the Crown to make sure they conform to the laws of the country and are procedurally and constitu-

tionally acceptable as well as in the public interest, so they can receive second reading and be referred to a committee. Then, during examination by the committee, witnesses can give evidence with respect to particular bills.

Many good bills and excellent ideas are put forward during the course of private members' hour. It is generally the case that these bills are deliberately talked out. Every government does that. We did it when we were sitting over on that side. Nevertheless, the time has come, perhaps, when we should reassess the role of the private member in this House without in any way taking away from the principal responsibility of the government to legislate and manage the business of the House.

I believe that a reassessment, indeed a redefinition of the role of private members' hour on the part of the government, would be very productive and useful to the House. I hope the government House leader, who more and more impresses me with his patience—not necessarily with his wisdom, but with his patience—will give serious consideration to having this question referred to a cabinet committee, to a committee of the Department of Justice or to a committee of the House, to see whether the government can come up with a more useful and productive way of handling private members' business. This would be in the best interests both of the government and of the House.

[*Translation*]

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I shall be brief, but I should like to rectify some of the impressions hon. members may have got this morning from hearing certain remarks. There was talk of the unusual length of this session. Still, my own research reveals that though we are breaking all records in terms of the length of the session or number of days on which the House has sat, in fact as far as sessions are concerned, the second, third, fourth and fifth of the 19th Parliament lasted quite a long time.

The second in fact, that goes back to 1940-42, lasted 441 days, that is, over a year, the third of the same Parliament, in 1942-43, lasted 371 days, the fourth, in 1943-44, 364 days and the fifth, in 1944-45, 371 days. Recently, in 1964-65, the second session of the 26th Parliament lasted 411 days. The first session of the 27th Parliament, in 1966-67, 476 days; and there are the more recent examples that were mentioned earlier in the debate. For instance, in 1968-69, the first session of the 28th Parliament lasted 406 days and the third session of the same Parliament, 497 days.

To my mind, we should not be influenced by the length of sessions, or fear them as such. What counts, is that Parliament should continue to work productively as the case has been in this session. There is still much to be done. I feel the argument is totally false whereby we should have a new session because the session has lasted long enough or there is not enough work left to do.

[*English*]

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question?

[Mr. McGrath.]

[*Translation*]

Mr. Deputy Speaker: Does the hon. member allow the hon. member for Winnipeg North Centre (Mr. Knowles) to ask him a question?

Mr. Corbin: I shall try to answer him, Mr. Speaker.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, is it not correct that the figures that the hon. member has now given regarding certain sessions relate to the total number of calendar days between the day the sessions started and the day they ended? On that basis, this session is well over 500 days.

[*Translation*]

Mr. Corbin: Mr. Speaker, the hon. member is absolutely righ . . . I did say that it was the length of the session in days. I refer to the column "number of sitting days". I could have said for example, that in the second session of the 26th legislature, in 1964-65, there were 248 sitting days. Perhaps it is not a record but it is not far from being so and this is quite a lot of days.

In 1966-67, in the first session of the 26th legislature, we did sit for 250 days which was the record until this week. In the third session of the 28th legislature, from 1970 to 1972, there were 244 sitting days. So there is no reason for getting nervous or scandalized by the length of the present session.

[*English*]

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise to speak on behalf of my party in opposition to this motion. We think that all it is is a sop to those who previously argued for the need for a new session. Quite frankly, Mr. Speaker, I am not persuaded by the argument that it has been the longest session in history and therefore we should depart from tradition. I have some Conservative elements in my bones, but certainly not to that extent.

Therefore, one has to look at the reasons for having sessions roughly of the order of 12 months; that is the crucial point. Why is it appropriate to have a new session of parliament with a new throne speech? I was amazed by the contention of the hon. member for St. John's East (Mr. McGrath) that a government could come in with a session lasting five years. Sure, they could from the constitutional point of view; there is no question about that. The question is, is it appropriate, in a parliamentary democracy, to do that? We most categorically say "No". We say "No" because of the changing circumstances in this country, particularly the country's economy, which require a government to come back at more frequent intervals to propose means for dealing with the country's problems. This is precisely why we think a new session is required, and required now. The last throne speech was delivered on September 30, 1974, nearly a year and a half ago. The problems of the country are substantially different now—I shall come to this point in a moment—or at least their manifestations are different. Part of what the government said in its throne speech has been denied—particularly what it said about wage and price controls—by the action the government has taken since then.

● (1420)

I say, with all the emphasis I can bring to bear on this point, that the reason we are opposing this motion is that we want a new session with a new throne speech which will deal with the following pressing problems. There are 800,000 Canadians looking for work. There are hundreds of thousands of Canadians who need housing in virtually every city, town and small village in the country. There is the shambles that is passing for a nuclear policy. Quite hypocritically, the government has day after day this week pretended to the people of Canada that it is going to introduce a nuclear policy. The purpose of this policy is to control and maintain nuclear technology for peaceful purposes, but in my view the government has virtually made up its mind to embark upon a deal with Pakistan which will lose all control for Canada over nuclear technology and set the stage for the development of a new nuclear weapon elsewhere in the world. There is no nuclear policy at all. The transportation minister has outlined in general form his current views, which in terms of the reaction of many people in western Canada is a potential dismemberment of the national railway system that we now have in this country.

Last, but not least, there have been the philosophical meanderings of the Prime Minister (Mr. Trudeau) on television during the past month when, in typical sophistical fashion, he has raised more questions than he dares provide answers to, and has been interpreted as being everything from a facist on the right to some kind of Stalinist socialist to the left.

The people of Canada have every right to expect this government now to come up with a new throne speech outlining in detail what it wants to do about unemployment, about housing, about nuclear policy and about transportation policy, and putting in more precise terms the framework the Prime Minister thinks he is going to use in developing his new society. We want action on these matters now, and that is why we oppose this motion.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, this parliament has never—

An hon. Member: Now you are going to get it.

Mr. Fairweather: Nobody is going to get anything. This parliament has never really met the issue of reform of its procedures. With the greatest amount of respect to the Pearson years, to which I alluded this morning because I was in a mood of déjà vu and because of certain privileges that have returned to the scene, the requirements of these years really have not been met and, as the British had to do in the 1890s, we must reform the system.

It seems to me that the length of a session is not particularly the problem, though it does obscure the public's perspective of what we are about here. The problem, surely, is that the rules and practices, outmoded as they are, are designed for a 12-month year when you start it up in January and there is a great effort to get home at Easter. I am of an age that I still remember the predecessor in my constituency chugging in on the railway train sometime around May when he had completed the annual task, and then when there was an emergency the train would go out again and there would be a couple of months work here in the fall. The public is slightly confused, despite the interesting statistics of the hon. member for Madawaska-Victoria (Mr. Corbin) because it lives in a calendar year and we seem to have slopped over slightly: we are now into the third calendar year.

It seems to me there are several reasons for really coming to grips with reform. One of them is civility to the staff of this institution, and I like to think that would be very high on our priorities. The second is civility to constituents who to me seem not to have the slightest idea, now, when their member of parliament can be expected in the constituency for any length of time.

In a philosophical political mood, I think the generosity of former of prime minister Pearson's weekly passes cannot be gainsaid; but that generosity brings with it a problem. The problem is that a good many members of parliament are constantly in the air, going somewhere or coming back from somewhere. This has had serious repercussions on their health, if I may say so, to say nothing of their consideration of legislation, and so on. Because of the generosity of our travel arrangements, people expect us to be in our constituencies to open up every gas pump and every hamburger stand. Not to be snooty about it, this means that unless we are careful—

An hon. Member: What have they got in those hamburgers?

Mr. Fairweather: I am probably the product of too many hamburgers. I am not being snooty or stand-offish, but I think we have to be selective in the acceptance of invitations.

I used to feel some compassion for one of the former ministers. He is not here now, and perhaps his travel arrangements are the reason for his absence. I used to watch him leaving on Fridays for one of the coasts of this country and did not know how the man carried on his portfolio from 35,000 feet over the Rockies, week in and week out, year in and year out. I do not think it was a good arrangement for his private life, his portfolio or his participation in parliament.

There are a couple of parliaments which have dealt with this matter, but perhaps not in as dramatic a fashion as I would like. One is Australia, where every third week—and I can be corrected on this—there is a certain length of time off. The system needs time to regurgitate—

An hon. Member: Do something about it, Mitch.

Mr. Fairweather: —which means that all those pieces of paper that flow inexorably—like Tennyson's brook, this "goes on forever"—can be indexed, and so on, and brought up to date. In this way, members of parliament could make arrangements in their constituencies. Constituents would get to know that, say, every third or fourth week would in fact be constituency week. They could lay up a whole series of gas pump and hamburger stand openings and the other things we are expected to do in order to fulfil our heavy responsibilities to the state.

Thank goodness we are still operating on the Christian calendar. With great respect to the House leader, if we did not have the intervention of Christmas, Easter, and perhaps Canada, Dominion, national, or whatever day it is

now, we would not stop at all; we would just go on and on like the squirrel on a roundabout. We are still committed to several breaks a year because this is a country that pays attention to Christmas, Easter and a couple of other events.

It happened that just at noon today I had a chance of talking with that estimable servant of parliament, the Chief Electoral Officer. I asked when it would be possible for him to get for us who are democrats; and there are a few left—

An hon. Member: They are old democrats.

Mr. Fairweather: They are not necessarily the same thing. Anyway, I asked the Chief Electoral Officer to make arrangements—and I really wonder why we still fuss about this in 1976—to provide a list, on an annual basis, of those members of the armed forces who put down our respective constituencies as their place to vote. I was talking about democrats. Unfortunately, there are large numbers of people in the armed forces who are not democrats and who guard the list of their members and where their members exercise their electoral responsibility as if it were the key to security in this country.

● (1430)

We have a series of wonderful men and women serving Canada, and I not prepared to believe that the safety of this country is inhibited by the fact that the hon. member for Fundy-Royal knows that 200 of the 78,000 members of the armed forces have their location or their home voting place in my constituency. I said, "My dear Mr. Hamel, can you give me this list? I really resent sending somebody, every election, to appear before the returning officer to copy out laboriously by hand, the 200 or 300 names." He said, "That could easily be done, although the security of the state is involved, so the military people tell us. "He said," there is a private member's bill on the order paper somewhere, and if you could get that bill advanced, and if the committee were sitting, this could be done." I told him that with the timetable we have, and because of the length of the session, that might be pretty difficult to do, but that perhaps he could initiate a bill with the government through the responsible minister.

The reason I am on this track is that I wish to point out the dilemma in respect of this long session. The 40 days might have been very good to spend in the wilderness, although there were certain problems then, I understand from careful reading. But 40 days is a pretty difficult period for members of parliament to get their ideas through to the heads of the government. It might take more than 40 days, for instance, to get the government House Leader to agree with me that the reforms I propose are necessary. Perhaps it would not. Perhaps he would be prepared to initiate these things. I think it would involve a fairly fundamental commitment on the part of all of us.

I think this is a place that needs a few people who are prepared to go to the ramparts of parliamentary reform, and not just settle in in the committee in room 112-N. That is not the issue. The issue has to be made perceptible to the public. I think, fortunately for us—here I am perhaps being a little forthrighteous—most members of the public do not have a clue concerning what we are about, and that keeps us safe. There is a third bit of responsibility in this regard, because I see in the press gallery one in the employ of the great monopoly, the Canadian Press, who will send a message down to Wellington Street to announce to all of Canada what is going on here today.

[Mr. Fairweather.]

An hon. Member: One man.

Mr. Fairweather: I wish him well, but it is even better when there is somebody else around. It must be very lonely for him.

An hon. Member: Now we have two.

Some hon. Members: Hear, hear!

An hon. Member: Keep it up. We might get three.

Mr. Fairweather: Apparently the hordes are at our gates. Anyway, I have enjoyed this minute or two. However, I really would like, before the year is over, to see us come to grips with this matter to see whether there is some way in which the ideas of members of parliament can be sorted out and sent on to committees. Some of them, believe it or not, my dear government friends, are not bad in their concepts and the country would be better off if they were adopted.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The minister is seeking the floor at this time. In accordance with citation 166 of Beauchesne's, he would be using his right of reply, having moved the motion, and therefore would be closing the debate. I wish to inform hon. members of that.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I have no desire to prolong this debate, but I should like to make two or three comments about the purpose of putting down this motion which seems to have been misrepresented, if not misunderstood. Second, I wish to make some further comments in support of what the hon. member for Fundy-Royal (Mr. Fairweather) has just said. The purpose of this motion is to restore certain private members' rights that had expired because of the length of this session.

I should like to say to all hon. members, particularly those in the New Democratic Party, that this is not put forward as a concession. This problem was recognized by the government some time ago. I made clear, at a meeting I had with the representatives of the parties, that I intended to introduce a motion for the purpose of restoring these private members' rights that had expired because of the length of the session. My hon. friend, now the House leader for the Conservative party, put forward a motion under Standing Order 43 with which I agreed. Indeed, it was a bit of conspiracy on our part that it might have been put through under a Standing Order 43 motion. Unfortunately, there were some replies of "No" and I took the responsibility of bringing the motion forward.

This is no concession in lieu of a new Speech from the Throne, as has been represented by the New Democratic Party. This is what I think should be done under the circumstances. The question of whether we will have a Speech from the Throne is quite a separate question. I suggest that my hon. friend from Winnipeg North Centre (Mr. Knowles) would rather have a grievance than have private member's rights restored. This seems to be the situation for which he has argued. He says, for example, that he would rather this motion did not pass the House because he would prefer to have a Speech from the Throne. What he wants is a grievance that the government has not undertaken to start another session.

Mr. Knowles (Winnipeg North Centre): I have lots of grievances with this government. I do not need another one.

Mr. Sharp: I wish the hon. member had said that. I am sure members on all sides would like to have these private members' rights restored. Perhaps I might make some other comments. The first concerns the reason for the length of this session. If one looks back at the record of some recent sessions, it will be clear that a great backlog of unfinished legislation accumulated during minority parliaments.

It was the view of the government that, if possible, we should try to avoid that happening again. It has been our wish to clear the order paper of all the bills that had accumulated over a considerable period. This we have been trying to do. There have been some very contentious pieces of legislation. The hon. member for Winnipeg North Centre compared the situation with Westminster. I would point out to him that, of course, Westminster operates under very different rules. He knows this. The British government can put forward a firm schedule of bills to be completed within a session, in the knowledge that it has the rules for the purpose of getting it approved. We do now have these rules.

During this session there have been debates of enormous length which would never have been permitted under the rules of Westminster. So I agree with the hon. member for Fundy-Royal that surely in this parliament we should be making a fundamental review of our rules so that this sort of situation does not occur again, and so the government will know that when it puts forward a program of legislation, that program will be substantially completed within a year. We must show some restraint on our side in not encumbering the order paper with too many bills. On the other hand, I am sure hon. members would agree that the bills which have been put down have been important, essential legislation. We did not put down a lot of bills which we did not have confidence would be approved.

● (1440)

We believe—perhaps the NDP does not—that the time has come for some restraint in government spending. On this side I think we have the support at least of the Conservative party. Whenever we bring forward legislation to do this, it is an excuse for holding up the House of Commons.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Don't clutch us too close to your bosom.

Mr. Sharp: There have been some references to the Standing Committee on Procedure and Organization covering some of the points that have been raised here. For example, the hon. member for Edmonton West (Mr. Lambert) has been instructed by the committee to bring in terms of reference on private members' hour for the proper use of that hour, another member on the management of time, another on the work of committees. These are the fundamental questions. I do urge upon the House that this committee be allowed to make rapid progress, which is only possible with the co-operation of the House leaders and of the parties concerned, not just of individual members, and that when the report is made it will be dealt with expeditiously.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. I have had information given to me which is relevant with respect to what we have been talking about. I was given to understand that the Minister of Transport (Mr. Lang) has announced outside the House of Commons a large wheat sale to the U.S.S.R.

Mr. Deputy Speaker: Order, please. I do not want to prevent the hon. member from raising his point of order, but I thought the point of order was related to the proceedings of the House. If the hon. member wishes to raise that point of order, I suggest that he raise it at the end of routine proceedings just before we go on to government orders, once a vote has been taken on the motion before us. I think at that time there will also be more members in the House.

I will now put the question to the House, and after we have reached orders of the day I will call upon the hon. member. The question is on the motion of Mr. Sharp. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

Mr. Deputy Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Sharp) which was agreed to on the following division:

● (1450)

(*Division No. 112*)

YEAS

Messrs.

Abbott	Appolloni (Mrs.)	Bégin (Miss)
Alkenbrack	Baker (Grenville-Carleton)	Blaker
Andras (Port Arthur)	Beatty	Blouin
		Breau

Messrs.

Caccia
Cafik
Campagnolo (Mrs.)
Chrétien
Clermont
Corbin
Côté
Cullen
De Bané
Dick
Dinsdale
Dionne
(Northumberland-Miramichi)
Drury
Duclos
Dupras
Ellis
Ethier
Fairweather
Faulkner
Flynn
Foster
Fox
Francis
Gauthier
(Ottawa-Vanier)
Gillespie
Goodale
Goyer
Gray
Guay
(St. Boniface)
Guilbault
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hees
Herbert
Holt (Mrs.)
Howie
Huntington
Isabelle
Jarvis
Johnston
Kaplan
Kempling
Lang
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle
(Chambly)
MacGuigan
Malone
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Mazankowski
McGrath
McIsaac
McRae
Morin (Mrs.)
Munro
(Esquimalt-Saanich)
Nicholson (Miss)
Oberle
Paproski
Patterson
Philbrook
Poulin
Prud'homme
Railton
Raines
Rompkey
Rooney
Scott
Sharp
Skoreyko
Smith
(Saint-Jean)
Stollery
Tessier
Trudel
Turner
Watson
Wenman
Whelan
Woolliams—92.

NAYS

Messrs.

Brewin
Broadbent
Dionne
(Kamouraska)
Firth
Gauthier
(Roberval)
Knowles
(Winnipeg North Centre)
Nystrom
Peters
Saltsman—9.

● (1510)

Mr. Deputy Speaker: I declare the motion carried.

Motion (Mr. Sharp) agreed to.

Mr. Baker (Grenville-Carleton): Mr. Speaker—

Mr. Deputy Speaker: Order, please. Is the hon. member rising on the point of order of which he gave notice?

Mr. Baker (Grenville-Carleton): Yes, Mr. Speaker.

Mr. Deputy Speaker: Perhaps the hon. member will not mind waiting until after we have disposed of questions on the order paper.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the following questions will be answered today: 3,544, 3,908 and 3,931.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[Mr. Deputy Speaker.]

[Text]

PEI COMPREHENSIVE DEVELOPMENT PLAN, PHASE 2

Question No. 3,544—**Mr. MacDonald (Egmont):**

1. With reference to the agricultural sector of Phase 2 of the PEI Comprehensive Development Plan, what are the working definitions used by the DREE office in PEI of a viable and a potentially viable farm operation?

2. From 1969 to date, for each category of farm operation classified as (a) viable (b) potentially viable (c) non-viable (d) all farms, what is the (i) number (ii) total acreage (iii) average acreage (iv) total acreage under cultivation (v) average acreage under cultivation (vi) total net family income (all sources) (vii) average net family income (all sources) (viii) total farm net income (ix) average farm net income (x) distribution by county?

3. (a) What programmes are designed primarily to help the (i) viable (ii) potentially viable (iii) non-viable farm operation (b) in what way do these programmes represent a departure from the agricultural strategy of Phase 1 of the Plan?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: 1. The terms "viable" and "potentially viable" are not used by DREE in respect to the agricultural sector of Phase 2 of the PEI Comprehensive Development Plan.

2. (a) Not applicable. (b) Not applicable. (c) Not applicable. (d) Published by Statistics Canada.

3. (a) Not applicable. (b) Not applicable.

DREE—NEW BRUNSWICK FUNDING

Question No. 3,908—**Mr. Howie:**

Did the Province of New Brunswick request funding from DREE over the next five years for (a) upgrading of Route 1, Sussex to Saint John (b) upgrading of Route 10, Fredericton to Moncton and, if so, in each case (i) how much (ii) how much financial assistance is DREE prepared to give?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is: In response to a request from the Minister of Regional Economic Expansion, the province of New Brunswick submitted to the department an outline of the provincial plan for highway construction and improvement to be undertaken over the next five years. Although the projects listed in this question form a part of the overall provincial plan, there has been no specific request from the province for DREE assistance to them. The question of what assistance, if any, might be provided is being considered in the continuing process of federal-provincial discussion regarding DREE activities in New Brunswick. (i) Not applicable. (ii) Not applicable.

BAYDA REPORT RECOMMENDATIONS

Question No. 3,931—**Mr. Reynolds:**

What action has been taken to date on the twenty-two recommendations made by Mr. Justice E. D. Bayda in his Report of the Industrial Inquiry Commission under the Canada Labour Code into the Grain Handling Industry in the Vancouver Port Area dated July 1975?

Hon. John C. Munro (Minister of Labour): The findings and recommendations of the Report of the Industrial Inquiry Commission into the grain handling industry in the Vancouver port area, received by the Minister of

Labour on July 24, 1975, were carefully considered by the government. The report was tabled in the House and released to the parties on December 5, 1975 and the Minister of Labour met the parties in Vancouver on December 10. The Minister also consulted members of the Canada Labour Relations Council on the report, its findings and recommendations. The government endorses in principle the recommendations aimed at improving the bargaining relationship but rejects those recommendations requiring heavy intervention in the labour-management relationship and a legislative approach. In keeping with the government's position, the Minister of Labour appointed an Industrial Relations Consultant pursuant to Section 197 of the Canada Labour Code on December 23, 1975. The Consultant, Mr. H. Landon Ladd, was appointed to develop in co-operation with labour, management and the government of Canada, an industrial relations program with a view to promoting conditions favourable to the attainment of industrial peace and to assist the parties in the implementation of such a program. The appointment is in the spirit of recommendations #4 and #5 of the commissioner's report but does not use the title "Federal Overseer" as specified in recommendation #4. No action has been taken on the other recommendations contained in the report.

* * *

● (1520)

[*English*]

PRIVILEGE

MR. BAKER (GRENVILLE-CARLETON)—ANNOUNCEMENT OF WHEAT SALE TO U.S.S.R.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, while we were dealing with Routine Proceedings I raised a point of order. If it is agreeable, and I think I have the right in any event, I will now raise it as a question of privilege affecting all members of this House. I understand that the Minister of Transport (Mr. Lang), who is responsible for the Canadian Wheat Board, made an announcement today in this building, outside this Chamber, about a very large, significant, and happy sale of wheat to the U.S.S.R.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I would be the first to say that we join with members on the government side in expressing satisfaction with regard to that. However, it would have been a matter of common courtesy and in accordance with parliamentary practice if, having regard to the fact that the announcement was made about 1:30 this afternoon, prior to reaching the item on the order paper for ministers' statements, the minister had made that statement in the House.

If the statement was so important that the minister had to rush breathlessly to the television cameras, why did he not rush breathlessly into the House to ask for consent to revert to the order for ministers statements, which the House would have been delighted to do? That would have been following what has been common parliamentary practice for some time.

I can understand the minister's joy and that of the country. However, I hope the government House leader brings it to the minister's attention that the Standing Committee on Procedure and Organization laboured long and hard in order to come up with a new procedure by which ministerial statements, or that which ought to be ministerial statements, could be made in the House of Commons where there would be an opportunity to reply. That would give us an opportunity to find out the terms and conditions of such an important and happy transaction. I hope that this minister, experienced as he is, will consider that. In failing to give the House that kind of information he breaches the privileges of this House. More than that, he displays bad parliamentary manners. He should know better.

Some hon. Members: Hear, hear!

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I welcome the challenge of the hon. member for Grenville-Carleton (Mr. Baker). Notwithstanding his new duties, one has to conclude that he is far more at home with corn than with wheat.

Some hon. Members: Hear, hear!

Mr. Lang: He has, of course, not had time to examine what he calls the parliamentary practice. If he does examine it he will find that some long time ago I indicated to the House that while sales like this, which by the way was a sale to China and not to Russia—

Some hon. Members: Hear, hear!

Mr. Lang: —while sales like this are extremely important, it would not be my practice, in this case any more than with regard to any departmental or governmental situation, to attempt to make the announcement in the House. I suppose if there were a kind of bulletin board occasion for that, one might like to do it so that the opposition could properly respond and say that is great, wonderful, and nothing more, instead of taking up the time of the House with a lot of extraneous matters.

In this case, it is not only a case of not making an announcement. While important, it follows the pattern of sales and, therefore, involves no new policy. However it is true this sale had been made possible because of a policy of the government.

Some hon. Members: Hear, hear!

Mr. Lang: It allows for a guarantee by the government of the credit involved on the part of the buyer, China. However, as I say, that is a standing policy which I am sure was discussed in the House at the time it was first introduced. It is not necessary to indicate its specific use each time it is utilized.

The sale to China represents another kind of government policy, maintaining a good relationship with a country like China. We have maintained that relationship as we have done with Cuba, even though hon. members opposite may argue about specific acts on the part of the government. We have maintained the position of a good trading relationship. An open door is important.

Mr. Deputy Speaker: Order, please. I am sure the minister will agree that he is getting far away from the point of order.

Mr. Lang: Mr. Speaker, I think you might find from examining the record that I have not gone much further afield than the hon. member, but I will nonetheless adhere to your good advice and stay with the question of privilege.

Announcement of this 35 million bushel sale by the Canadian Wheat Board with credit terms over an 18 month period was, as a matter of practice, made simultaneously by the Canadian Wheat Board as the selling agent and by myself because of the government policies involved, including the credit. The time for making the announcement is, in fact, determined as a matter of course by the Canadian Wheat Board. I try to accommodate their time as much as possible. I make myself available to the press because of the great interest to the nation in the matter. The House finds out about it immediately as well.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Hon. members will agree that the Chair should not get involved in the debate that had taken place. The question that has been raised may be of importance, but the Chair only has to decide whether a prima facie case of privilege is involved.

The question is of importance to the hon. member for Grenville-Carleton (Mr. Baker) and other hon. members. It is of great interest to the Canadian people. However, insofar as a breach of the privileges of hon. members is concerned, all precedents indicate there is no way the Chair can make a decision supporting the arguments of the hon. member for Grenville-Carleton.

The Chair has to decide all breaches of privilege regarding the operations of this House or affecting the rights of hon. members in the performance of their duties. In any event the hon. member did not substantiate his question of privilege by a motion that would have required action by this House. Therefore I must reject his point.

Orders of the day.

• (1530)

Mr. Whelan: On a point of order, Mr. Speaker, I would just remind the House through you that none of this great debate would have taken place if it were not for the great productivity of our farmers in Canada.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Despite the minister.

[Mr. Lang.]

GOVERNMENT ORDERS

[*English*]

MEDICAL CARE ACT

AMENDMENT TO LIMIT ANNUAL INCREASE IN PER CAPITA COST OF INSURED SERVICES UNDER MEDICAL CARE PLANS

The House resumed, from Thursday, February 26, consideration of the motion of Mr. Lalonde that Bill C-68, to amend the Medical Care Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs, and the amendment of Mr. Gilbert (p. 11210).

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, when I was interrupted by the clock last evening you will recall, I was admitting to puzzlement and was asking myself why the Minister of National Health and Welfare (Mr. Lalonde) chose this particular time to renege on the undertaking of a previous Liberal government, the Pearson government, to provide assistance to the provinces in the medicare field, at the same time repudiating an undertaking given ten years earlier by the Diefenbaker government to assist the provinces in the supply of hospital services. Is it, I was asking myself, because the minister feels that the basic infrastructure is now in place, and that in consequence federal assistance can now be withdrawn? Happily for me, my knowledge of the inside of a hospital is very limited, but I am aware of the lack of hospital facilities across the country.

[*Translation*]

The Acting Speaker (Mrs. Morin): Order. The Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Kaplan) on a point of order.

[*English*]

Mr. Kaplan: Madam Speaker, it should be drawn to the hon. member's attention that this is not a bill dealing with hospitals. Hospitals are covered by the Hospital Insurance Diagnostic Services Act. The government is not cutting back or setting a ceiling on any kind of hospital costs. This is a medicare bill. The hon. member should be brought to order.

[*Translation*]

The Acting Speaker (Mrs. Morin): Order. I merely want to remind the parliamentary secretary that Bill C-68 is an act to amend the Medical Care Act.

As long as the hon. member points out the relation with medical care, it is difficult to call him back to order.

[*English*]

Mr. Munro (Esquimalt-Saanich): Thank you, Madam Speaker. I find it a little difficult to dissociate medicare from hospitals. Medicare is given in hospitals. I would remind the hon. member that hospital services came first under a Conservative government; it took another ten years before his government got around to medicare.

As I was saying, we know that the hospital situation and the provision of medical care in hospitals have not been solved at the present time. Anyone who has any cause to be admitted to a hospital has first to wait for many, many months in any province in this dominion of ours. Of

course, happily, emergency cases are generally handled quickly and taken care of, but acute cases, cases requiring an operation, sometimes these must be booked months in advance. For example, in Victoria it can be said that they have to wait six months, and I say this of my own personal knowledge. This suggests to me that there is still a great need for hospitals and hospital beds so that medicare can be properly administered in our hospitals, and nurses and doctors trained. There is also a need for a greater variety of hospital facilities, acute, intermediate, and chronic care.

Is this the time then, Madam Speaker, to cut back on assistance to the provinces, which is designed to help them meet their medical and hospital needs? I suggest quite the opposite is the case. With needs still pressing, with construction costs rising, with a government refusing to eliminate the tax on building materials, this is no time to trim back programs which, however unwillingly, were undertaken in the end in good faith 10 or 20 years ago by the provinces. This is what this legislation proposes to do.

I am at a loss to understand the government's priorities or whether it has any at all. This is certainly no time to trim programs. In a time of inflation when charges for medicare are increasing and the means whereby provinces can raise funds to meet these charges are not increasing, the federal government chooses to draw back on its program. What is needed, of course, is a proper balance between acute, intermediate, and chronic care facilities, all of which cases have to be housed in order that medicare can be administered. If once we can get to that position it might be more rational for the federal government to back out gently on a phased program from its earlier undertakings. But a proper balance is still a long way off.

Because it is a long way off, the existing hospital situation is being aggravated. Chronic care patients and patients convalescing are occupying acute bed space. The truth of the matter is that the government has done nothing to get hospital needs sorted out, thereby reducing pressures that are being exerted on acute bed facilities and permitting medicare to be properly administered to all Canadians, as was the original intention. I say this is no time to cop out. Therefore I am concerned in the first place with the drastic cutback of a needed program. This I find quite unacceptable. The amendment before us proposes a six months' hoist. Perhaps such a period would enable the government to reflect and to change its approach to this whole question, and for this reason I support the amendment.

My second concern about this measure, one closely related to the amendment and the need for a six months' delay before proceeding with this bill, has to do with the manner in which this federal cop out took place. In the minister's opening remarks we heard that lengthy consultations took place. Oh yes, they were well advertised. We had people in the conference centre and many discussions took place between federal and provincial ministers of health. Indeed the matter was raised, I am almost certain, when the premiers met with the right hon. Prime Minister (Mr. Trudeau).

These consultations were presumably designed to reach some sort of consensus. Then without any forewarning whatsoever, in a budget statement on June 23 last year, pop goes the weasel, and a cop out is upon us. Without any warning, without telling the provinces what it was going to do, the federal government decided to back out. This legislation is the implementation of that undertaking in the budget speech.

If one could give credence to the statements of the government, Madam Speaker, it prides itself on its record of consulting before acting. It says it floats notions ostensibly to get feedback. But if we look behind those statements to the facts, we find quite a different situation. It consulted in the Liberal sense, in the sense that this government consults on the matter of price and wage controls. We all remember the discussions that were held before the implementation, the coming, or the appearance of Bill C-73. They presumed to have consultation on these matters and then, having encountered a pretty resounding opposition from labour, management, and the provinces, without any warning, zap—down comes C-73, the anti-inflation measure drafted by Draco himself. Draco, for those who are interested, having been the archon of Athens in 621 B.C., whose code of laws is described—

● (1540)

The Acting Speaker (Mrs. Morin): Order, please. I am afraid that now the hon. member is straying from the amendment.

Mr. Munro (Esquimalt-Saanich): Madam Speaker, I was using this illustration of simple draconian measures as one form of consultation to justify the fact that this government pretends to consult but does not.

If I may continue, however, the consultation process, so-called, has taken place in other areas. I have noticed consultation on matters of airports, presumably to strengthen security measures. After full consultation what happened? They dispensed with commissionaires, hired and gave short-term training to recruits who were dressed up to look all the world like RCMP constables. I am sure they are not fully trained RCMP personnel, but this is the form of consultation. It is not consultation. The decision was taken long beforehand. They have consulted on other matters of airports, but in order to spare being called to order again I will continue.

In the final Viet Nam caper there was a form of consultation, if you like. There was the suggestion that there ought to be a group of members of parliament go over to Viet Nam to see if the situation warranted the participation of Canada. I am satisfied that the decision was taken before that delegation set out.

This time on medicare they claim to have consulted à la Libérale. The minister described how often he and his homologues had consulted with his provincial counterparts and with the premiers of the provinces, with all this discussion about a new formula for medicare. Why did they bother to consult? I have asked myself this on other occasions. It is patent now, this is the Liberal way. It is façade, window dressing, cosmetic and spurious, because they know all along what they are going to do. They had decided to get out, and now they are getting out, after all those glowing promises of ten years ago. Would Mr. Pearson approve? Would he have conducted himself this way at this time? Would he renege as this government is reneging, and in this manner, under the cover of consulta-

tion here, as in so many other cases, they have followed the course they plotted for themselves before even proposing consultation.

What about motivation; I have wondered about that. I have wondered a lot about the motivation of the government which seems determined, even motivated, to pit one part of Canada—

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member again, but the hon. member is definitely not speaking on the bill.

An hon. Member: Oh, but he is.

Mr. Munro (Esquimalt-Saanich): Madam Speaker, I find it difficult to follow this ruling as I am merely citing examples in which the government claims to be doing one thing yet is doing another.

Some hon. Members: Hear, hear!

Mr. Munro (Esquimalt-Saanich): With all due respect, it claims to have consulted with the provinces on medicare and then it just tears up the consultation and acts. It is quite obvious to us now that the government knew beforehand how it was going to act. Why bother going through the charade of consultation?

I should have thought in this country of ours which has such variety the government in all sincerity would have consulted and obtained a consensus, but not this government. What is the great problem? If I appear to be wandering into other fields, Madam Speaker, it is merely to show that this is not just in the area of medicare, but in all other areas where the government follows this same practice.

An hon. Member: It is a course of conduct.

Mr. Munro (Esquimalt-Saanich): I should like with your permission to go back to Edmund Burke, and again the Edmund Burke that so few people quote. Government and legislation, he said to the people of Bristol 200 years ago, and his words are still true, are matters of reason and judgment and not of inclination, but what sort of reason is that in which determination precedes discussion and in which one set of men deliberate while another decides? While ministers are talking, the Prime Minister is deciding exactly what he is going to do, and that is consultation.

Some hon. Members: Oh, oh!

An hon. Member: That's a leader for you.

Mrs. Holt: Your leader hasn't been here for a couple of days.

An hon. Member: You want to be thankful about that, Simma.

Mr. Munro (Esquimalt-Saanich): Here we are by predetermination and farcical consultation under which the government acts. Why has the government decided to act divisively in this case and in so many instances, even on the matter of the death penalty which will come before us? The government does not consult the Canadian people, otherwise there would be no Bill C-83 or C-84. The government decides to act counter to what it ought to know the Canadian people need and want. This is a case in point today.

Mr. Alkenbrack: Trudeau times are tough times.

Some hon. Members: Oh, oh!

An hon. Member: You were raised in a tobacco patch.

Mr. Munro (Esquimalt-Saanich): I am almost afraid to guess why the government acts in this way. I leave it open because to look too carefully into that grinning maw could produce nightmarish results.

Motives there must be, but for what purpose does the federal government want to antagonize all provincial governments, as it is clearly doing by introducing this measure and by announcing its withdrawal from the scheme in a budget statement, even after certain assurances had been given to provincial ministers that further consultations on the matter could be expected? Then came the bombshell of June 23, 1975, and the bill now before us. Is this an application of the divide and rule principle? If it is, it is strange now because I cannot imagine one single provincial government that is not allied in the assault with every other provincial government to oppose the federal government on its present plans. It may be dividing the federal government from the provincial governments, but is is certainly not dividing the provincial governments among themselves. This then seems to be confrontation, confusion, and antagonism leading to chaos. The government seems to thrive on this procedure.

Why would it not be better to have honest discussion, an open exchange of views, a search for concession, co-operation, and emergent order arising from consensus? The Canadian people have reason to ask themselves these questions. Surely in a country like Canada this is what we need, and it is to an opportunity to attain that blissful state that the present amendment is directed. I therefore support it and urge the government to reassess its stand during the six months' period which acceptance of this particular amendment would provide.

● (1550)

There are several other questions which can be asked. I have dealt only with the basic elements of the matter. Where are the provinces to find the funds to supply the services for which high expectations have been built? Are they to find them through provincial taxation? In the present circumstances of inflation the provinces have only limited taxation capabilities. Can we ensure, given provincial inequalities in respect of fiscal capacities, that even if they could raise the funds that we would have equal medical service for all Canadians which this plan originally was intended to provide. We cannot give this assurance. One of these days soon hon. members opposite perhaps will move to another province where they will require medical care and where they may find that they will not receive as much care as they did.

An hon. Member: Let us hope it will be very soon.

Mr. Munro (Esquimalt-Saanich): I fear that there will be a deterioration in the quality of health services and in the uniformity of health services across the country with

the passage of this measure. The government needs time to look at the whole thing again. The amendment would give the government that time. I plead with it to support the amendment.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, hon. members may have noticed a reluctance on my part to get to my feet to speak in this debate. I have had the pleasure of listening to the whole debate. I have risen at this time to announce that the winner of the study I have been conducting in respect of the most ridiculous sentence in this entire debate is the hon. member for Esquimalt-Saanich (Mr. Munro). The sentence in his remarks which wins the prize is the expression: "This is certainly no time for the government to trim programs".

Mr. Munro (Esquimalt-Saanich): Health programs.

Mr. Kaplan: I wish to quote for the hon. member some observations on whether or not this is the time to trim federal programs. Then I will discuss the programs. I quote:

> The economic condition of this country demands men and women of foresight, courage and sensitivity in the highest of offices. It demands of political parties the highest level of unity, commitment and purpose. The courage to reduce government expenditures has never been more necessary.

That is Premier William Davis speaking at the Conservative convention last week. He said that the courage to reduce government expenditures has never been more necessary.

An hon. Member: He was not talking about passing the buck.

Mr. Kaplan: I will continue:

> In the area of health care, a matter of national concern, we in Ontario have taken the view that no province, no careful and thoughtful society, can afford a system that expands more quickly in terms of cost than that society's ability to pay.

We are proposing under this bill that medical care contributions be increased by 13.5 per cent next year. The hon. member has said that is too little. He says this is no time to trim that program. Well, 13.5 per cent is beyond what the gross national product of Canada will increase next year. It is beyond the rate of inflation we are anticipating, so we are coming within the injunction of Premier Davis that no careful and thoughtful society can afford a system that expands more quickly in terms of cost than society's ability to pay.

In talking about medical care the premier went on and added this:

An hon. Member: He is a great premier.

Mr. Kaplan: He is right about this. He said:

> In simple terms that means for us, and for all Canadians that if we allow a system as critical as health service, for the needy, for the population as a whole, for the old and the feeble, for those who cannot help themselves, to become more expensive than our taxpayers can afford, then it will collapse. And if it does, only the rich and the advantaged will have care and benefit. So we must seek to trim and streamline, not because we want to, but because concern for the welfare of all who are served by the system says we have to.

I wish to deal also with the reference to the closing of hospitals. I want to make the point that the closing of hospitals is not related to the expenditure provided under the medical care bill. All of the costs for the maintenance of hospitals, the salaries, the overhead, the light bills, the heating bills and such things are covered by a statute which is not before the House now. Such things are covered by the Hospital Insurance Diagnostic Services Act. The government is not cutting back on hospital costs. Rather, five years' notice must be given of any intention to terminate the agreements with the provinces.

The hon. member said that the provinces would have to pay more. We continue to pay roughly 50 per cent of all hospital bills, no matter how much they increase. If they increase 20 per cent or 30 per cent our commitment is to pay them regardless. It must be clearly understood that this bill has nothing to do with hospital costs. The closure of hospitals in Ontario or elsewhere is not in any way related to Bill C-68 but is due to the general economic situation as perceived by that particular province and the fact that the province feels it cannot justify the cost of maintaining what it feels to be under-utilized and improperly utilized facilities when there is an ample supply of vacant beds in the same general area. The province concerned has made its decision in spite of the fact that there is no change in the federal cost-sharing under the Hospital Insurance and Diagnostic Services Act.

I should like to repeat that Bill C-68 contains two features that would facilitate the introduction by provinces of lower cost alternatives to expensive hospital care. This answers precisely the point made yesterday by the hon. member for Sault Ste. Marie (Mr. Symes). I wish he had read the bill because it contains the very provisions he was demanding. Everyone can see there are patients in general hospitals who do not need to be there and who would not be there if they as insured persons could obtain the care they need elsewhere. While most of the comments of hon. members opposite have been directed to the imposition of ceilings on the medical care program for the next two years, I should like to direct attention to the other amendments the minister announced. If I might call it four o'clock I will do so on the next occasion during government orders. May I call it four o'clock?

Mr. Paproski: On what day?

Mr. Kaplan: Next Tuesday.

The Acting Speaker (Mrs. Morin): Order, please. It being four o'clock the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, notices of motions, private bills.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mrs. Morin): Order No. 34 in the name of the hon. member for Yukon (Mr. Nielsen). Shall the order stand?

Mr. Paproski: Stand.

The Acting Speaker (Mrs. Morin): Order No. 4 in the name of the hon. member for Kenora-Rainy River (Mr. Reid).

An hon. Member: Stand.

The Acting Speaker (Mrs. Morin): Order No. 10 in the name of the hon. member for Hamilton-Wentworth (Mr. O'Sullivan). Shall the order stand?

Mr. Paproski: On a point of order, Madam Speaker, may I say I think it has been agreed so far as the business from four o'clock to closing is concerned that we would go to order No. 64.

The Acting Speaker (Mrs. Morin): Is it agreed that all the other orders stand?

Some hon. Members: Agreed.

* * *

● (1600)

ALASKA-YUKON HIGHWAY AUTHORITY ACT

MEASURE TO DEVELOP CANADIAN SECTION OF ALASKA HIGHWAY

Mr. F. Oberle (Prince George-Peace River) moved that Bill C-264, to provide for the establishment of the Alaska-Yukon Highway Authority (Alaska Highway), be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

He said: Madam Speaker, it was an important decision on the part of the House of Commons to allow this bill to come before us in today's private members' hour, which was to be just about the last private members' hour in this session. I am delighted at the fact that even after this most important measure has been referred to committee it will be possible for other private members to bring other matters before the House which are undoubtedly equally important.

Mr. Knowles (Winnipeg North Centre): And get the same treatment.

Mr. Oberle: This bill is timely for another reason, because recently certain actions have been taken in the United States which have an effect on the subject which we are discussing this afternoon. The government of the United States has passed a bill, signed by the president, which concerns itself with this great and historic road link.

I have just received a report from my most distinguished counterpart in the U.S., Senator Ted Stevens from Alaska, regarding the federal action of the government of the U.S., which I would like to put on the record. It reads as follows:

> The Federal-Aid Highway Act of 1973 . . . authorizing reconstruction work on the Alaska and Haines Cutoff Highways, requires that prior to the expenditure of funds by the United States an agreement must be reached between the United States and Canada covering all conditions under which the highway is to be built. During discussions in January of 1975, Canadian officials advised U.S. highway representatives that Canada could not agree to hold the right-of-way for this highway forever inviolate. This requirement was contained in Public Law 93-87 authorizing the reconstruction project. All other provisions of the agreement were tentatively agreed to by representatives of the Canadian and U.S. governments.
>
> In order to remove this restriction and get the project moving, legislation was introduced on March 19 which would require that Canada provide "all necessary right-of-way". The bill passed the Senate on September 4, was referred to the House and was passed by that body on December 1. On December 12, President Ford signed the legislation into law.
>
> With this restriction removed, hopefully the tentative agreement between the U.S. and Canada can soon be finalized. The Federal Highway Administration (FHA) reported that the agreement had been sent to Canada's Public Works Department. The agreement will ultimately come before the Canadian cabinet for its consideration.
>
> FHA reports that the groundwork has been laid for the environmental impact study. Engineering plans for the project are also quite well along. However, until the agreement is finalized no funds can be committed and construction will continue to be delayed.

Why should the U.S. government be concerned about the Alaska highway? Later on in my comments I will touch on that briefly because, after all, it was the U.S. government which built this great road link in the first place.

The section with which the U.S. government is concerned at present is the section which would tie that portion of Alaska, which is known as the panhandle, with the other parts of Alaska. In other words, residents of Fairbanks, Cordoba and Anchorage will be able to travel to Juneau, and in order to do that they will have to travel through the Yukon territory and indeed through portions of British Columbia, through the constituency represented by the hon. member for Skeena (Mrs. Campagnolo). I have great hope that since my colleague, the hon. member for Skeena, is in the House today and, I understand, will be addressing herself to the subject, she will probably allow this bill to go to committee for discussion as I know that she also is extremely interested in achieving the goal which my bill hopes to achieve.

If you will allow me, Madam Speaker, I would like to give a brief history of the Alaska highway. The construction of the Alaska highway had been proposed for many years before the outbreak of World War II. However, it was not until the Japanese occupied some of the Aleutian Islands and threatened the air ferry supply to Russia that a highway was actively considered.

Construction of a pioneer road by engineer troops followed rapidly on the heels of the location crews. Speed was the first consideration and this road detoured around swamps, gullies, rock knolls and other obstructions, resulting in a very crooked road with many step grades. Many of these crooks and crannies are still in the Alaska highway today.

After August, 1942, efforts were directed to getting the pioneer trail converted to a passable road at the earliest possible moment. This road disregarded the public roads administration procedures, where design alignment and grade would delay completion, and followed the path of least resistance. In March, 1943, instructions were issued to complete the work at the minimum possible cost and standards were reduced still further. Road construction ceased in October, 1943, but bridge construction continued until 1944. The resulting highway, while passable and providing a good gravel driving surface, had geometrics of a varying but generally poor standard.

After the responsibility for the highway was transferred from the United States army to the Royal Canadian Engineers, the terms of reference under which they operated did not permit major road relocations. Temporary bridges were replaced by permanent structures at many locations and some exceptionally hazardous areas were reconstructed, but the alignment of the highway is essentially that of 1943.

In 1959-1961 the highway was paved to RAU 50 standard from mile zero to 84. This standard provided two 12-foot traffic lanes and 5-foot shoulders. The British Columbia department of highways has been responsible for the maintenance of the paved section since 1962. The other portions of the highway are still a responsibility of the Department of Public Works and they are having their difficulties with the contractors who have to maintain this road. Certain other commitments have also been made to reconstruct certain sections, particularly in the lower end of the highway.

Over the years the government has studied the possibility of doing major work on the highway and upgrading it to a national highway standard. A report was commissioned. In 1966 the Stanford report was prepared for the government. It recommended that any further action in respect of the highway be shelved for at least ten years. It is now 1976 and that ten year period has expired. That again is the reason why the bill before us is timely.

It was also recommended to the government that it should not be concerned about the development of our northland and the development of our resources since the highway is an outdated mode of transportation for the movement of goods and people today, when we have jet airplanes and other more up to date modes of transportation. The report said that the highway is old fashioned. I wonder who the consultants were who worked on that report. I am sure they must have been those consultants to whom we pay one billion a year.

● (1610)

I am not in conflict with that statement made in the report, particularly when one considers only the need to find, extract and exploit our natural resources, and does not consider the human factor, the people who live there, our first citizens and early settlers, and does not consider that even in that region, with all the modern facilities of transportation, people would be required to develop and to populate that area.

Let us look at the highway of today. It is a road link. Mile zero is at Dawson Creek, and it goes all the way through the great territory of the Yukon and into Alaska. There are stretches of 200 to 300 miles where there are no facilities of any kind. No one ever planned or considered that there would have to be service stations to help people in distress or to supply such amenities as gasoline, tire and vehicle repairs.

No one has ever considered that accidents can happen when people travel, particularly with the climatic conditions which exist in that part of our great country. No one has ever considered that we might have to evacuate injured people involved in accidents, and there is no provision for aircraft to land to evacuate people, or for first aid posts. There are no provisions to help people who travel this highway to meet with the natives who have lived there all their lives. No provisions were made for rest stops, parks, tourist amenities or anything else.

My bill proposes to establish an authority which would consider all these things, not only on the Alaska highway but also along all the other roads which are planned in the north as we are opening up this great northern hinterland. The hon. member for Skeena will understand very well what I am talking about because just a year ago the first vehicle went through yet another great north-south connection on the Stewart Cassiar highway, and there are no facilities for anyone travelling that road. It seems just to be an access to exploit the natural resources and the people who have pioneered and lived there and carved out an existence for generations.

I am also concerned about industries already located in northern British Columbia and the Yukon territory as well as the plight of these industries through not having a proper means of transportation for the shipment of their products and for the maintenance of the work force in their plants. All the resources of the great region of the Yukon must be shipped, or are presently being shipped, by our outmoded transportation system to a port linked to Alaska, and they end up in ports strange to our land. I am very excited about the plans announced for the northern part of British Columbia with respect to the transportation network, and I am hopeful that the government will seriously consider helping industries located in northern British Columbia and the Yukon territory by providing proper transportation facilities.

As hon. members know, the government has never been too excited about doing anything about regional economic expansion in the province of British Columbia. The reason for that has been, unlike other parts of the country, that industry in British Columbia has never asked for any help.

However, it is entitled to expect from provincial, federal and municipal governments that access is provided to the areas in which industry locates, that the infrastructure is considered by these governments, and that a quality of life is established in these northern areas which is in some ways comparable to the quality of life which other Canadians enjoy. That means many things. That means that we will have to look seriously at not just transportation facilities but also the establishment of proper towns, however small they may be.

We must provide communications systems which are much different from the ones which are being extended into these areas now. We have to make it possible for people in those areas to have access to the electronic media. Of course in many of those areas that is not possible today. We must be able to provide them with the communication facilities, telephone and radio facilities which people in other parts of the country enjoy.

I am encouraged by the plans of British Columbia railways. The line has now been extended to Fort Nelson and is enjoying the harvest of that area. It is a paying proposition. Also, the BCR has extended, or is in the process of extending, the rail link to Dease Lake, again in the constituency of Skeena, driving into the resource areas. The great mineral reserves and the great wood fibre reserves in these areas are being opened up, and nobody is giving

any consideration as to how the traveller who wishes to go there, whether he is a tourist or a person looking for a livelihood, is to traverse these road links we are constructing.

An ambitious program to extend these lines is planned, and it is hoped that eventually the rail will tie up with some sort of railway in the Yukon and that the resources of the territory will be flowing through British Columbia to the coastal ports or to the eastern industries which are in need of them.

The emphasis on northern development in that region must not be concentrated around the extraction of our resources. Any strategy in respect of the development of that region must be related to the establishment of secondary industries as well. First of all, it must be geared to the development of our renewable resources, our great timberlands, which so richly endow the region. The type of industry referred to will require people. It is not necessary to elaborate on the importance of the development of these industries or on the importance these industries will have in helping alleviate the unemployment crisis in Canada. Furthermore, an immediate result would be a great increase in tourist traffic, which is an industry of prime importance to that area. Traffic surveys, and many surveys which have been carried out by the Department of Public Works underline this statement.

As hon. members of this House will know, a great number of our neighbours to the south use this road link in travelling to the state of Alaska. This is why the American government has expressed interest in helping us with this project. The people visiting our country who share with us the vastness and the beauty of the area of which I speak take nothing home with them but memories of a unique adventure, and pictures which they might have taken en route. However, they are contributing to the western economy to the extent that the tourist industry in British Columbia ranks second only in importance to the lumber and wood fibre industry. I have lived in that area, and I have been involved with the tourist industry for the last 20 years, so I know a little about the highway in question, as I know about other highways as well.

We are concerned about northern development. It is essential that we develop a transportation policy, and a road strategy which does not yet exist in Canada. It would help if the proposed authority could develop this strategy and a general philosophy concerning northern highway travel. This is what this bill is all about. Many people who live in the north and many leaders there have voiced allegiance to the strategy. Some people living up there will have to take a stand sooner of later. They will have to tell the government soon that there should not be more construction of roads or highways and no more development of resources unless a philosophy is developed to protect the way of life they have valued for so many years.

● (1620)

So far as our native people are concerned, the first wars against them in Canada were fought for roads and railways—for the iron horse that traversed our country. Madam Speaker, I can see another battle shaping up.

I had the privilege this morning of taking part in the meeting when the people of the Northwest Territories met with the Prime Minister (Mr. Trudeau) and presented a brief on how they would like to see the north developed. They are impatient about the signs they have seen recently, and totally frustrated about the hundred years fumbling by a series of governments that have not addressed themselves to the needs and desires of people in the north.

The Acting Speaker (Mrs. Morin): Order, please. I am sorry to interrupt the hon. member but his time has expired.

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, this morning we were privileged, the hon. member for Prince George-Peace River (Mr. Oberle), myself and others, to listen to the Inuit Tapirisat of Canada as they presented their land claims to the government of Canada. The tender regard they have for the land they live in is none the less touching for it is the same feeling which we have for our part of our country.

The hon. member and I have the distinction of sharing between us the whole northern half of British Columbia; therefore the principle which he has placed before us today, the bill which would provide for the establishment of an Alaska-Yukon highway authority, is exceptionally important in view of the other aspects that we will be dealing with in connnection with transportation and communication in the northern half of British Columbia, and in the territory as well as the state of Alaska.

It is a rather strange thing that in our part of the world Alaska, part of the United States, seems to us somehow to be closer than the southern part of British Columbia which is, of course, the continguous part of the province we live in. There are often discussions between residents of the Panhandle and residents of our area in regard to road transportation, which are carried on at great length. At times it seems we forget that two countries are talking to each other about the mutual problems of access, information, and communication.

We have in northern British Columbia some magnificent resource bases that we are aware of, and of course we are not the only ones who are aware of them. Over the years we have seen an increasing interest displayed by the mining industry particularly, but also by the forest industry in development in the northern half of British Columbia. Access through this area in part is by the Alaska highway, which the hon. member referred to in his speech. I have travelled that highway many times—in a spirit of non-partisanship of course. I know that the hon. member will recognize that as I travel through what is basically his territory, that he makes up for it when he visits Skeena.

Having travelled this particular road I recognize that it is a vital link between the eastern part of British Columbia, the Yukon Territory, and of course links up with other transportation routes. I know when I have stopped to talk to people in Fort St. John or Fort Nelson their first comment generally is, "When is the Government of Canada going to do something about paving our section of the road?"

I think it would be interesting to state for the record just what the current situation is with regard to the Alaska highway. There have been 25 miles of paving

completed in the Whitehorse area, six miles through Watson Lake, and ten miles beyond the present pavement at Mile 83 is under contract. Construction of a major structure, the Mushkwa bridge, is estimated at $2,900,000. This is under way through the bridge replacement program. Under the program of reconstruction of substandard sections, a contract for Mile 206 to Mile 232 is under way. Approval in principle has been received for construction and paving for Mile 93 to Mile 317. This, of course, is subject to some conditions; it will be used as the basis for Department of Transport negotiations of the northern roads program, and as part of the northern roads negotiations an undertaking will be sought whereby the British Columbia government will take over and fully maintain each section of the Alaska highway as it is reconstructed and completed.

This is where the problem lies that the hon. member has exposed for the view of this House today. We are not only dealing with the government of British Columbia, we are dealing with the Yukon Territorial Council, and the Government of Canada; we are dealing with the state of Alaska and the Department of External Affairs which have reference through their contacts with the government of the United States.

When this bill was called today, Madam Speaker, it was rather interesting to see the result. It was given to me as Parliamentary Secretary to the Minister of Indian Affairs and Northern Development, but jurisdiction for this highway lies with the Department of Public Works. Naturally that caused some confusion because the Department of Transport also has interest in it. I believe the hon. member has brought forward a matter than can be considered. I think the imaginations of members of this House, not only of government members but all members, should be put to the test of finding ways of improving transportation communications in difficult situations such as this. There is no precedent under the British North America Act for this type of authority which would in essence point out that this is a highway which is essential to the good of Canada. That was not thought of when the British North America Act was drawn up.

We are dealing with a topic that is extremely sensitive. We have proposals for railway expansions that go from Prince George at the moment to Fort St. James, to Dease Lake. This will pass over the southern part of the area we are discussing. Hopefully, after preparations have been made and negotiations carried out on land claims in northwestern British Columbia, it will be possible for the CNR to go forward with their linkage to a place called Suskeena which I am sure many hon. members have never heard of. It is another of the tiny places with which the hon. member for Prince George-Peace River and I are familiar.

I sometimes think if it were not for the Oblate Fathers the hon. member and I would have no place to stop when travelling to visit our constituents. There generally are no hotels, no restaurants, no gas stations and no radio stations. Most parts of the area I am discussing do not have television signals. All of these things pertain to the mid-northern part of Canada which for so many years has somehow been overlooked.

As we met with the Inuit Tapirisat today I was considerably surprised to note that many of the non-Inuit people in the room knew a good deal about what was happening in Pangnirtung or Fort Chimo, and what was going on in the northeastern part of Labrador. The names seems to roll off the tongue very easily, but if I were to say "downtown Telegraph Creek" or Iskut, I am sure people would wonder what on earth I was talking about.

I am discussing a land that is not part of the regional economic expansion textbook in the classic sense. We are not a deprived area; we are an area of the future. In the eastern part of Canada the exploitation of resources has taken its toll and these are now depleted in some cases so the government has put in place its successful DREE program, which has augmented the possibilities of economic enhancement of those areas, but in our area this part of the process has never begun.

The Department of Regional Economic Expansion recently announced that western northlands roads would receive $10 million for roads expansion in the area we are discussing, $5 million to be paid in this fiscal year.

In addition to these railway expansions there are dreams which go beyond present plans, dreams which will link places I mentioned such as Dease Lake with Whitehorse, and eventually Whitehorse with parts of the south so that we can utilize our own ports. Our Port of Prince Rupert is as essential to the people of this area as it is to the city of Prince George or to Edmonton. At the moment the Department of Transport is doing a very extensive review of the Pacific rim access which will make it possible for the people of this country to have a second trans Canada highway.

Some hon. Members: Hear, hear!

Mrs. Campagnolo: That highway will be Yellowhead 16, which presently goes from Manitoba to the city of Prince Rupert.

● (1630)

I know that the glamour of the Northwest Territories has for long obscured the reality of mid-northern Canada. But we can no longer ignore the mid-north because, fortunately or unfortunately, as the case may be, we are the great storehouse of resources. It is a bank of resources which must not be extracted indiscriminately. Too often in the past they were extracted indiscriminately. The people of the area now insist on their being extracted with the greatest care. Before we can utilize them properly, a massive road and communication system must be built and an infrastructure established for the people.

There was a time in the history of British Columbia when the government of the day approached resource extraction this way: "You go in and take out the resource. If the operation is successful, you build a one-resource town, and ultimately put in the infrastructure, like schools, hospitals, recreational facilities, etc." That was the theory, but often the resource was depleted, the infrastructure did not materialize, and the town disappeared.

Now there is new hope. The people of the north are conscious of their environment. It will be to the everlasting credit of this government that it established the Berger commission. Mr. Justice Berger has done much good work in the north. The people of this country, espe-

cially the people of the north, insist on having a large say on how resources shall be developed.

Let me tell the House a story which may illustrate my point. When I was a small child and the Japanese threatened to bomb Dutch Harbour in the Aleutians, there was panic in northern British Columbia. The people moved out of their homes and took to the mountains. We were ready for the worst. But, out of that terror something happened which had been thought impossible: within a short time the Alaska highway was built, the highway which everyone said was impossible to build. That shows you what can be accomplished. Madam Speaker, the Alaska highway is built. We must improve it, and improve the network of roads to the north.

Let me tell hon. members a story about the Stewart Cassiar highway, the highway leading to the far north. I often drive on that highway. Once, when I was needed in Ottawa, the hon. member for St. Boniface (Mr. Guay) wondered what had taken me so long to come here. I explained that I had been caught between a mud slide and washout on the highway. Fortunately, I was able to get a small aircraft to land on a lake nearby. I boarded the aircraft and came back to Ottawa in time to please the Whip. That shows the adventure which can befall a member of parliament on that highway. We need small airstrips in the area. We need better tourist amenities along the highway to make it more attractive for tourists. But we are talking not only of tourists. We are talking about the utilization of Canadian ports.

At present it is economical to ship resources through the ports of Anchorage and Juneau. This situation could be altered successfully if there were transport access from the Alaska highway to the east and from the Stewart Cassiar highway to the south as well as a railway. Hopefully, access to a railway will transform the outlook for northern development.

One can say much about the area, much about its possibilities. The hon. member mentioned the coal in his constituency. If that coal were shipped through the port of Vancouver it would need to be hauled in a train pulled by ten locomotives, each of 3,000 horsepower. You could haul the coal to Vancouver, at great cost. But if the same coal were to be taken by rail to Prince Rupert, you would need only three locomotives, each of 3,000 horsepower to pull the train, and there would be a cost saving of one dollar per ton with regard to coal delivered at the port for trans-shipment to Japan. Such savings are worth-while. We must establish the infrastructure in the north which is necessary for development along the Alaska highway. I am glad the hon. member has drawn our attention to this aspect.

The Alaska highway itself has proved to be a boon. It has been greatly improved, and the improvements are continuing. Jurisdiction over the road was transferred from the Department of National Defence, which I forgot to mention as it is no longer in the picture, to the Department of Public Works has continued to improve facilities on the highway.

All of the mid-north, in which I include northern British Columbia, the northern parts of the prairie provinces, and even northern Ontario, although I smile when I hear people of northern Ontario calling themselves northerners as most northern Ontario lies south of most of the communities I represent—all of the mid-north of Canada above the 53rd parallel and below the 60th parallel deserves more attention than it is being given now. We need more communications in the area, even though there is a plethora of communications services. We have the CN-CP wire, the B.C.R. wire and the RCMP wire criss-crossing each other but not always helping the non-official people of the area to communicate with each other. These are problems we must consider.

Although I cannot agree with the hon. member's position, I am glad he brought to our attention a significant problem. We cannot deal with it in a committee of this House because it involves many jurisdictions. For instance, we need to consider the position of the Alaska state government and, in the long run, that of the United States government. For this reason there may be difficulty in connection with the hon. member's bill. But I congratulate him most sincerely for bringing this matter before the House so that he, and I, can remind the people of this country what is happening above the 53rd parallel.

[*Translation*]

Mr. Eymard Corbin (Madawaska-Victoria): Madam Speaker, evidently we are carrying on today consideration of Bill C-264 which, if I remember well, was discussed in the House in 1973. It is perhaps advisable to recall that the purpose of the bill is to provide for the development of the Alaska-Yukon Highway as a matter of national and international importance. The bill provides that a non-Crown corporation may be established to take over the development of that highway in Canada. The bill is aimed at providing a national character to the organization taking into account the regional, federal and provincial as well as international interests, to the extent that the United States are responsible for the development of part of the highway and that American representatives are appointed as associated members of the administrative board of the authority.

I will not deal, Madam Speaker, with the appointment of some present or future members of Parliament as members of the authority as suggested by the mover of the bill, but I would say however that such a proposal seems to me at first rather unusual under our parliamentary traditions and practices, whatever may be done in other jurisdictions. Still I might add that the sponsor of the bill seems to have devoted much time to its preparation and that I do not question at all his sincerity, his objectivity and his good intentions. For all that I do not think I am an expert in these questions, and I should be interested in the progress of the bill, if it does pass this stage today. I do feel that the final product will be quite different from the text now before us once the bill has passed through the usual parliamentary sieve.

I hope the sponsor of the bill and his colleagues will forgive me if I refer to the few remarks made in this House by the then Parliamentary Secretary to the Minister of State for Urban Affairs, who has come back to his first designation, namely the hon. member for Laprairie (Mr. Watson). As I said, I am not so much concerned with the specific value of the bill. I simply say that if the hon. members representing that area of the province attach enormous importance to it, I give them full marks because

after all they are here to defend their regional and provincial interests. But I was really startled, I reacted at first timidly, I should admit; I was very surprised by what the hon. member for Laprairie said in 1973 when he proposed as a solution to the problem of the Alaska-Yukon Highway a strange compromise, a strange exchange with the United States. For the information of my colleagues, I shall quote from the original speech of the hon. member for Laprairie; on March 9, 1973, as recorded in *Hansard*, he said:

[*English*]

● (1640)

My proposition, which I consider sound and has a good chance of success if we can convince a few more people,—

Perhaps the hon. member was referring to people like me at that time.

—involves encouraging the U.S. government to construct a four-lane, high speed highway across the top of the state of Maine, linking the eastern townships—

That is in the province of Quebec.

—auto route with a point in New Brunswick, possibly involving some part of U.S. Interstate 95,—

These are the key words:

—in return for the Canadian federal government spending an equal amount of money on upgrading and paving the Alaska Highway. The arguments in favour of this proposition are obvious. It would promote Canadian unity; it would bring Canadians closer together by reducing travelling time between central Canada and the maritimes by a minimum of five hours. I am not talking from the eastern Canadian point of view.

The hon. member for Laprairie continued:

In addition, it would reduce transportation costs between central Canada and the maritime provinces. It would make possible a large increase in tourist traffic between the maritime provinces—

It goes on and on. The hon. member for Laprairie advanced a number of arguments that, in my opinion, are more fancy than fact. I thought I would discuss that intervention here at this time.

[*Translation*]

And hon. members will forgive me if I consider quite unacceptable the trade-off proposition put forward by the hon. member for Laprairie (Mr. Watson) during the discussion of the question of the Yukon-Alaska Highway at that time. There was trading-off, Madam Speaker, since the hon. member for Laprairie wanted eastern Canadians to sacrifice their national interests for the benefit of the so-called national interest of western Canadians. As I said a moment ago in my remarks, there is no question of us in the east sacrificing anything whatever for the moment, for on all accounts our region is underpriviledged compared with the west. And I consider quite meaningless the proposition put forward in 1973 by the hon. member for Laprairie.

I consider that such a trade-off as the hon. member for Laprairie advocated in 1973 would require, as I said a moment ago, that we make immense sacrifices. Perhaps it would be fitting to say what would those sacrifices be.

I would mean that for all practical purposes we would abandon the idea of a national highway linking the Atlantic coast to the Pacific coast, in exchange for what? In exchange for a highway which would cross a neighbouring state and divert all commercial, tourist and whatever traffic which now uses the Trans-Canada Highway at Fredericton, through Edmundston, which crosses the Quebec border at Rivière-du-Loup, goes through Quebec City and along the St. Lawrence River to Montreal, divert all that traffic towards an American highway. It would be an exchange to thank the Americans, to pay for the construction of a highway in certain areas of British Columbia, Alaska and Yukon, and who would be the losers and the winners in all that?

Well, I can tell you who will be the losers, and I am talking on behalf of my constituency, of at least half of the province, and even the hon. member for Moncton (Mr. Jones) who is absent today. I know that he shares my concern in that regard because he already stated his position publicly on that subject. We would be taking money from our pockets to give it to the people of British Columbia. As I said a moment ago, I have nothing against British Columbia, and it seems to me the problem we have been advised of is serious and deserves to be solved. However it should not be solved on the back of another part of the country, the east, the area which I represent here in the House of Commons.

That is what I had to say today, Madam Speaker. I wish the hon. member and his bill good luck. I hope, as he and some of his colleagues do, that we will have the opportunity of studying the bill in committee. I should be willing to sit on that committee and have a chance to dissect it, look into its intrinsic value and, if possible, work with the hon. member towards finding solutions, monetary, administrative or otherwise. I trust that, in return, at a later date, he can give me a hand in the solution of the serious highway problems we have in eastern Canada.

[*English*]

The Acting Speaker (Mrs. Morin): Is the hon. member for Laprairie (Mr. Watson) rising on a point of order?

Mr. Watson: Madam Speaker, I rise on a point of clarification because my bill which I have had on the order paper was referred to just now. Remarks which I made on an earlier bill were referred to by the previous speaker, who is a very capable representative of northern New Brunswick. I would suggest, however, that some of the views he has expressed in defence of his own area are slightly parochial, even though they may be well founded from his local constituents' point of view.

The Acting Speaker (Mrs. Morin): Order, please. That is debate, not a point of order.

[*Translation*]

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

Madam Speaker, I feel the hon. member for Laprairie has enough experience in the House not to take advantage of a so-called point of order to attack me personally as he has just done.

[*English*]

The Acting Speaker (Mrs. Morin): Order, please. I am afraid that this is far from a question of privilege.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): Madam Speaker, I do not like to pursue the line of argument we have just heard from my two hon. friends from eastern Canada.

● (1650)

I want to compliment the hon. member for Prince George-Peace River (Mr. Oberle) on the bill that he has put forward for debate today. It is one that I know he sincerely believes in and on which he has obviously spent a good deal of time, not only in this debate but on previous occasions, putting forth the ideas and suggestions in this bill.

While I certainly support the thrust of his arguments and the objectives of his bill, I cannot support the manner and method in which he is trying to improve the highway in his part of the country. If my hon. friend would stop to think for a moment of the difficulties that we, as a nation, are continuing to have in repatriating our own constitution, he would realize that there are jurisdictional difficulties in trying to set up the kind of authority he is proposing here, involving provincial, territorial, and federal rights, as well as United States interests and so on. He could spend years trying to get the authority itself operational; in the meantime he would lose a lot of time and energy from the point of view of building and developing the highway. As I say, while I agree with the bill's objectives, I disagree with the route and manner he has adopted.

There are certainly precedents so far as federal participation in the construction of highways is concerned. While highways are a provincial responsibility under our constitution, they are going the route of many other services that have been primarily a provincial responsibility up to the last number of years. We can all think of examples. Social services, hospitalization, education, while under provincial jurisdiction, have received federal support and co-operation. In this respect highways are rapidly joining that particular club.

At the Western Economic Opportunities Conference of only three years ago, highways and other transportation needs were very much a priority item of the four western provinces so far as federal help and participation were concerned. I am sure the hon. member is well aware of the Northlands agreements which have been signed with the four western provinces, the most recent one signed through the Department of Regional Economic Expansion being the one signed in Victoria on February 9, earlier this month. The hon. member will have had the opportunity to see the press release that was issued and to appreciate that funds are going almost directly into his part of the province. I know he will be the first to say they are insufficient, and I agree with him, but at least this is a step in the right direction.

As a result of that agreement federal funds will be provided to continue improvements to highway 97 between Prince George and Dawson Creek, to highway 37 between Stewart and Watson Lake, and further assistance is being provided to other highways in the area. Expenditures on highway 16 between Terrace and Prince Rupert are also being made. So once again we are giving recognition to the need for highways in that province.

May I point out one other very important highway project involving his part of Canada as well as mine. One of the criticisms that I get when I go home is that we are continually funding programs in nothern Canada. My part of the country is not as far north as his, I realize, but nevertheless we require funds for development in mid-

northern areas, as the hon. member for Skeena (Mrs. Campagnolo) said. I think the hon. member was a member of the transportation committee that met a delegation from Edmonton, Winnipeg and other places—

Mr. Paproski: The great Yellowhead route.

Mr. McIsaac: Yes, that is right; the hon. whip is aware of that. That is a route that has already received federal support, and this is one more example of the federal government's support for the kind of project that is being put forward by the hon. member for Prince George-Peace River.

As I say, Madam Speaker, I certainly appreciate the thrust of his arguments in seeking my support for highways and communications in general in that great part of Canada, but the route and method that he is proposing in his bill are not ones that I can support.

Mr. Watson: Madam Speaker, may I ask the hon. member who has just spoken whether he would permit a question?

The Acting Speaker (Mrs. Morin): Would the parliamentary secretary allow a question?

Mr. McIsaac: Yes.

Mr. Watson: Would the parliamentary secretary undertake to ask his officials to study the economics, both of the propositions put forward in the bill we are discussing today as well as the possible trade-off of efforts in both east and west which would, as I have argued before in this House, provide highways for residents in Alaska, Yukon, B.C. and Alberta, as well as a highway that would be of enormous benefit to eastern Canada, despite what my hon. friend from New Brunswick has said?

[*Translation*]

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

The Acting Speaker (Mrs. Morin): The hon. member for Madawaska-Victoria (Mr. Corbin) on a point of order.

Mr. Corbin: Madam Speaker, the hon. member for Laprairie (Mr. Watson) has just put a question to the parliamentary secretary. Having already spent several years here, he should know the Canadian government has already made a feasibility study of the construction of a high-speed highway through Maine, and rejected it.

[*English*]

Mr. McIsaac: Madam Speaker, if I may just reply to the question of my hon. friend from Laprairie, some work has been done by the Department of Public Works and the Department of Transport on the projects mentioned by him. I am sure further work will be done in light of this debate and in light of any further bills and propositions put forward by the hon. member for Laprairie (Mr. Watson).

Mrs. Simma Holt (Vancouver-Kingsway): Madam Speaker, I shall only make a brief intervention. I want to remind hon. members—and I never like them to forget—that there is always a woman's angle as well as an age angle to issues of this sort. I can think back to when this

highway was first started in 1942. I lived in Vegreville, 60 miles from where it all began. I well remember, when the highway started, and the U.S. Army in Edmonton. I should like the hon. members to appreciate that I well remember that era, because I do like a little respect for my age.

Some hon. Members: Hear, hear!

Mrs. Holt: Also for my maturity.

Some hon. Members: Hear, hear!

Mrs. Holt: I also wish to stress the woman's angle. It was then very much a man's world and still is. Then the Highway was called the Alaska Military Highway, and "Military" then implied an all male club. A woman writer named Gertrude Baskine, of French and Irish ancestry, who had toured all over the world and wrote about her experience, was on a trans-continental tour of Canada. In Regina a reporter asked her what she planned to do next. She replied, "I will do the Alaska highway". That afternoon the papers blazed forth the news, and several hundred women shook her hand and extolled her courage. They said to her, "Are you really going up the Alaska highway? No woman would be given permission to do that; it is a military area and is impossible".

Alaska Highway

That is all you need say to a woman. Let that be a warning to you: don't ever tell a woman—the Gertrude Baskines—or me—that it is impossible. She went up the Alaska highway and was the first woman to do so.

There are many other access routes other than by the Alaska highway—by air, sea, and back-packing I do not recommend them all as the way to go. Nevertheless, this woman hitchhiked all the way over the then military highway.

I should like to make another point. They have mosquitos and black flies up there. Needless to say this creates a very trying experience. The important point about the mosquitoes and black flies is they are symbolic of what happens next. Civilization moves in, and with it repellents, insecticides, death to nature—

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): Order, please. The hour allotted for the consideration of private members' business has now expired. It being five o'clock this House stands adjourned until Monday next at 2 p.m.

At 5.01 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, March 1, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

INDUSTRY

REQUEST FOR NEW POLICIES TO PROTECT TEXTILE PRODUCERS—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, pursuant to the provisions of Standing Order 43, I ask the unanimous consent of the House to present a motion dealing with an urgent and important matter.

In view of the fact that the Quebec textile industry is increasingly threatened and urgently needs some correctives to restore a satisfactory economic stability, that most of its problems are due to rising imports and that the industry is comparatively isolated from the remainder of the Canadian economy, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House immediately discuss the condition of our textile industry to provide new policies liable to protect employment and assure Canadian markets and to consider the effectiveness of the suggestion made during the weekend by the Confederation of National Trade Unions for the establishment of the Textile and Clothing Board on a permanent basis.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

ORAL QUESTION PERIOD

[*English*]

SUPPLY AND SERVICES

CONTRACT WITH LOCKHEED—REASON FOR FAILURE TO SIGN

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of Supply and Services. Yesterday in British Columbia the Minister of National Defence said that Canada was going ahead with the Lockheed LRPA purchase. Since the Lockheed LRPA contract remains unsigned and the minister tells us this is because of long-term financial problems but declines to say what these are, is it part of this unsigned LRPA contract that Lockheed would provide a line of credit to Canada to enable production to get started?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, from the beginning of negotiations with the Lockheed company, I said to the House that our problem was first of all a financing problem. Of course, events that have developed since then on the international scene prompt us to be more cautious in our negotiations with Lockheed due to the long term financing situation of this company.

Nevertheless, the main problem is one of financing. The Department of Supply and Services as well as the Department of National Defence are trying to find a solution with the co-operation of Lockheed; up to this point, the parties involved have not agreed on any of them.

● (1410)

[*English*]

Mr. McKenzie: Mr. Speaker, as the minister stated Lockheed is now unable to provide this credit, is it forcing the Canadian government to find the money to get production started? In other words, are we not talking about a short term financial problem rather than a long term financial problem?

[*Translation*]

Mr. Goyer: Mr. Speaker, it is as much a long term as a short term financing problem, according to the place one occupies in the negotiation, whether one is with Lockheed or with the Department of National Defence.

In any event, negotiations are going on and the government will take a decision in the near future, to clear the situation since Lockheed has already begun to plan its production.

* * *

[*English*]

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—SUGGESTION EMPLOYEES BE GIVEN BENEFIT OF REMOVAL OF EXPORT TAX

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I had a question for either the Prime Minister or the Secretary of State for External Affairs, but since neither is here I shall raise another matter with the Minister of Finance. During the past 72 hours, has the minister reconsidered the government's position on the implications of removing the export levy in the anti-inflation program with particular reference to enabling the workers, as com-

pared to the corporations, to get some of the benefits of removing this special tax in the sense of having permission to increase wages and salaries in excess of the minimum guidelines in the program?

Hon. Donald S. Macdonald (Minister of Finance): I would say no to that, Mr. Speaker. We have laid emphasis on the importance of any excess revenues being used for reinvestment in Canada with the consequent job creating effect.

ANTI-INFLATION PROGRAM—DATE OF AMENDING OF APPEAL PROCEDURE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, of course the job creation effect does not bear on the salary benefits that may or may not be available. My supplementary question concerns the reference the minister made in his statement about amendments that would be forthcoming with regard to the appeal procedures in the legislation. Following the questions I put to the minister on this subject some two weeks ago, may I ask again when we can expect specific legislation? Can the minister tell the House what part of the appeal procedure the government intends to amend?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the matter is still under consideration. I think it would be more effective to wait until the announcement is made, then the hon. member will be able to see the exact manner in which we propose to proceed.

Mr. Broadbent: Can the minister at least tell the House when we can expect the legislation?

Mr. Macdonald (Rosedale): As I say, Mr. Speaker, the matter is under consideration. The House will be advised just as soon as the final position is taken.

* * *

[Translation]

THE CANADIAN CONSTITUTION

REQUEST FOR REPORT ON FEDERAL-PROVINCIAL NEGOTIATIONS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, since the right hon. Prime Minister is not here, I would like to direct my question to the Acting Prime Minister.

A report has been made public indicating that negotiations at the official level between Quebec and Ottawa about the constitution would have largely gone beyond the discussion stage and extend to questions dealing with protection of French culture in Canada, legislative primacy in immigration matters, regional disparities, proclamation text of a Canadian constitution, and so on. It even appears that the government of Canada would have made specific propositions on those matters to the government of Quebec. Could the Acting Prime Minister confirm or deny this report to the House and sum up the situation in those negotiations?

[Mr. Broadbent.]

[English]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the situation at the moment is that some informal exploratory talks have been going on at official levels. There have been no formal presentations or proposals made to the provinces.

* * *

THE CANADIAN ECONOMY

PRIME MINISTER'S STATEMENT CONCERNING ACCEPTANCE OF LESS MATERIALISTIC SOCIETY AND POWERFUL UNIONS—GOVERNMENT POSITION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in the absence of the Prime Minister I direct my question to the Acting Prime Minister. In view of the statement of the Prime Minister in Toronto over the weekend that Canadians are going through a period of reflection and redirection and that since the second world war they have been too busy getting richer, can the Acting Prime Minister tell us if the Prime Minister meant that Canadians should accept a less materialistic society?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think it is probably a view shared by many Canadians, and I hope by most members of parliament, that we could have a better society if it were less materialistic.

Some hon. Members: Oh, oh!

An hon. Member: You are a fine example.

Mr. Sharp: We are very fortunate that in the postwar period there has been a very great increase in the wealth of Canada and in the incomes of Canadians, and we all hope that they can be used to better purpose than at the present time.

Mr. Ritchie: The Prime Minister suggested that labour unions as well as corporations are among the big and powerful; does this mean that the many individual union members are amongst the powerful in the country?

Mr. Sharp: On a number of occasions the Prime Minister has made the point that there has been an increasing concentration of power, and, of course, that is just the opposite of individual responsibilities and individual rights.

* * *

NATIONAL DEFENCE

REASON FOR USE OF UNITED STATES COASTGUARD HELICOPTERS TO RESCUE FISHERMEN

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, in the absence of the Minister of National Defence and his parliamentary secretary, I should like to address a question to the Acting Prime Minister. It may not be possible for him to answer the question, but I should like to know why it was necessary to call in U.S. coastguard helicopters to rescue Canadian fishermen last week-

end, an event which resulted in the loss of another fisherman and another fishing vessel. Do we not have enough helicopters in our own service in order to meet safety needs, particularly when a fishing season is opening?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will make inquiries as to the reasons for asking the United States for their very generous assistance to us.

* * *

TRANSPORT

INQUIRY AS TO EXAMINATION OF VESSELS BEFORE START OF FISHING SEASON ON WEST COAST

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I think we all appreciate this assistance when it is given, but I feel we should have our own service. In the absence of the Minister of Transport, perhaps his parliamentary secretary could make note of the following question: will it be possible to report that the examination into the events of the last fishing season, which resulted in a report and recommendation, terminated with an examination of all the fishing vessels before they went out on the present fishing season?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, would the hon. member repeat the first part of that question? I am sorry, but I missed it.

Mr. Munro (Esquimalt-Saanich): Last year there was a report prepared by the Ministry of Transport—at our insistence, I might add—and there were a number of recommendations in that report. I should like an assurance that those recommendations resulted in inspections of all fishing vessels before they went out on the present fishing season, and particularly on the west coast.

Mr. Goodale: I am not sure if I can give that firm assurance to the hon. member. I know there were extensive discussions earlier this year in connection with this matter with the people involved in the fishing industry. I will check specifically to see if the precise inspections which the hon. member has mentioned were in fact undertaken. However, substantial precautionary measures were taken by the Ministry of Transport prior to the beginning of this fishing season.

* * *

FISHERIES

SEALS—INTENTION OF GREENPEACE ORGANIZATION TO INTERFERE WITH HUNT—SUGGESTED ANALYSIS OF GREEN DYE TO BE USED BY GREENPEACE ORGANIZATION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Minister of State (Fisheries). In view of the fact that the seal hunt will be starting in a few days, and since some 2,000 seal hunters are dependent on the seal hunt for their livelihood or a good part of their livelihood, has the minister yet received an application from the Greenpeace organization to enter the seal hunt in order to cause interference and damage, as they intend?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I should like to inform the hon. member that to my knowledge we have not received any application. I have made it clear publicly that if there are people representing different movements which want to observe the hunt but not interfere with it, we would make arrangements for them to do so. We have done this in the past for other movements which have strong feelings on this issue. The regulations which prohibit interference with the hunt are very clear. They have been on the books for a number of years, and they will be applied in the ordinary manner.

● (1420)

Mr. Marshall: In order to avoid counterinterference by many fishermen who hunt seals, and in view of the fact that they are adamant in wanting to avoid any unfortunate incidents, will the minister accept my suggestion to have the green dye which they propose to use analyzed to discover its effect on seals and also the relationship of the mother seal to the pup, and if he has that information would he have this analysis carried out or direct the Food and Drug Directorate through the Minister of National Health and Welfare to carry out this analysis to ensure that the seal population in Newfoundland and the Atlantic region is not destroyed?

Mr. LeBlanc (Westmorland-Kent): I certainly agree completely with the premise of the hon. gentleman's question regarding the income of fishermen. It is for that very reason that regulations of the seal hunt have as their goal wise conservation because seal hunting is an important source of income. It represents in some cases $2,000 to $3,000 to individuals who have no access to other income at that time of the year.

As to the matter of dye, I have said that we have regulations to prevent interference with the hunt. I have asked my scientists to look into the implications of the use of dye, but I believe that the use of dye would not be any more acceptable than the use of aeroplanes or helicopters to frighten the herds when they are whelping.

* * *

THE CANADIAN ECONOMY

GOVERNMENT MEASURES TO ENSURE SUMMER EMPLOYMENT FOR STUDENTS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Minister of Manpower and Immigration, but in his absence I will direct it to the Acting Prime Minister who at times is the source of all wisdom. My question has to do with the recent statement of the Ontario government which expects a very bad summer for students, up to a million of whom will be looking for jobs. Accordingly, it is attempting to meet this crisis situation. Does the Acting Prime Minister also believe this will be a bad summer for students with regard to available jobs for them and does he believe that present federal programs are adequate to meet the situation? Is the

whole matter under review and will a statement be made regarding this matter in due course?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the government has been inclined to forecast this sort of situation with regard to students this summer. It has been assigning its resources and trying to direct them toward the alleviation of this problem rather than dispersing them more widely. This has meant some changes in the program. We expect that we will be able to make better use of the money this year than we have in other years in relation to the employment of students. In that sense the matter is under review, but basically we have made our decisions.

Mr. Alexander: I imagine the answer to my initial question is that the government expects this will be a very bad summer with regard to employment for students. The fact of the matter is that Ontario has some one million students looking for jobs. The restraint program is restraining employers, thus reducing student employment in the summer. This has probably aggravated the situation in the provinces. Will the Acting Prime Minister assure the House and the students of Canada that this government will attempt to meet with industry, through chambers of commerce perhaps, and to meet with the colleagues of the Minister of Manpower and Immigration throughout the country so that they can devise steps to attack this very serious problem and thus reduce the high unemployment rate that is expected for Canada's students this summer?

Mr. Sharp: Mr. Speaker, this kind of procedure has been followed every year in the past. We have always encouraged employers to employ students. We have worked with the provincial governments, and that is what we are doing this year. I cannot say whether the problem will be worse this year than it was in other years, but it is always a serious problem.

ADEQUACY OF VOLUNTARY SUMMER WORK PROGRAMS FOR STUDENTS IN VIEW OF NEED FOR FUNDS FOR TUITION FEES

Mr. Bob Brisco (Kootenay West): My question is for the Acting Prime Minister. In view of the fact that the Minister of Manpower and Immigration and the Secretary of State have introduced programs for voluntary summer work, by what stretch of the imagination does this government think that students will be in a position to volunteer for jobs without pay when they need to pay for their university courses, their tuition fees, their books and room and board?

Hon. Mitchell Sharp (Acting Prime Minister): There are some students in Canada who do not have to depend on summer employment to obtain funds to attend school. I know that some of these people are generous and public spirited, so I hope my hon. friend is not trying to discourage them from doing voluntary work.

AMOUNT OF REDUCTION IN BUDGET FOR STUDENT SUMMER EMPLOYMENT PROGRAM

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, may I direct a supplementary question to the

Acting Prime Minister? Are funds for the student program to be reduced from the $35 million level of last year to $20 million this year?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not remember the statistics. I will take the question as notice and try to answer tomorrow.

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EXTERNAL AFFAIRS

ESTABLISHMENT OF TRIDENT BASE AT BANGOR, WASHINGTON—INQUIRY AS TO CANADIAN PROTEST

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Acting Prime Minister about the projected construction of the Trident base at Bangor, in the state of Washington, on Puget Sound, some 60 miles from the Canadian border? In view of the action of Mayor Arthur Phillips of Vancouver, who has proclaimed Trident Concern Week and states that Trident is the most destructive weapon in history which, in its present location, will make the lower mainland of British Columbia and Vancouver Island part of a retaliatory target, may I ask the Acting Prime Minister if representations have been made by the Government of Canada to the United States protesting against the Trident base, in view of the potential danger to a large segment of the population of British Columbia?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I know there have been exchanges of views about this problem but I do not think the Canadian government has made formal protests about this matter, because I do not think that would be appropriate.

Mr. Broadbent: Why not?

Mr. Sharp: But there have been discussions between the two governments.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. As the Minister of National Defence is reported by the press to have said in British Columbia this weekend that Canadians should welcome the Trident base and encourage the United States to build it because of the deterrent protection it gives Canadians, and as the Trident system, unlike the Poseidon system, is not a deterrent, but a first-strike weapon, does the Acting Prime Minister not believe that the time has come for the Canadian government to raise its voice in protest against this mad escalation of nuclear destructive capacity before it is too late?

Some hon. Members: Hear, hear!

Mr. Sharp: No, Mr. Speaker. I gather that the Minister of National Defence shares my views about the nature of this problem, which we should discuss with the United States. I do not think that we should protest against the construction of an instrument that may help to maintain the peace which has prevailed in the world for quite some time between the great powers.

An hon. Member: Then, you are both mad.

HEALTH

SUGGESTED WARNINGS ON ALCOHOLIC BEVERAGE CONTAINERS AND RESTRICTIONS ON ADVERTISING—GOVERNMENT POSITION

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of National Health and Welfare. Does the minister intend warnings to be placed on alcoholic beverage containers similar to warnings placed on packages containing tobacco products, and does he plan to introduce more comprehensive regulations requiring more meaningful warnings to be put on these products and restricting advertising?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, last year I set up a departmental task force to consider alcoholism and techniques and methods which can be employed to reduce it. I expect a report in the next few weeks from the task force and will be able to advise the hon. member whether specific additional steps are planned.

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PETRO-CANADA

POSSIBLE ENTRY INTO REFINING AND MARKETING OF PETROLEUM PRODUCTS—GOVERNMENT POSITION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Considering the minister's expressed intention to direct the activities of the national petroleum company to the production, refining and marketing of petroleum products, and away from the less lucrative exploration for natural resources, can the minister inform this House, as he informed an audience in Pittsburgh recently, what form this new intrusion in the free market system will take? Does the government intend to provide Petro-Canada with further public funds in order to carry out that new activity?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I made it clear previously that the priorities of Petro-Canada are the exploration and development of Canada's far north resources.

Mr. Oberle: Mr. Speaker, may I ask a short supplementary question? The minister expressed his intention to expand activities. Does the government intend to buy an existing system or marketing company, instead of starting its own activity?

Mr. Gillespie: Mr. Speaker, Petro-Canada has already started its own activity, as the hon. member probably knows. The hon. member probably also knows that I stated on previous occasions, as did my predecessor, that at some point in time it may be of advantage to Petro-Canada to make an acquisition.

● (1430)

HEALTH

REASON FOR RESIGNATION OF DR. WIGGINS FROM RESEARCH BRANCH—REQUEST FOR ASSURANCE RESEARCH PROJECTS CHOSEN ON BASIS OF MERIT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is to the Minister of National Health and Welfare. Was the resignation of Dr. Wiggins from the research branch of his department at least in part related to political interference with the selection procedure for research projects under the department's research and development program?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, it was in no way connected, either directly or indirectly. Dr. Wiggins' resignation was a matter that had been discussed for quite a few months with the previous deputy minister as well as the present deputy minister. It was done purely at the administration level. It is the type of thing that one can expect in the public service once in a while.

Mr. Yewchuk: Since my information is at variance with what the minister has stated, can he assure the House that he has taken all steps necessary to ensure that research projects are chosen purely on the basis of merit and for no other reason?

Mr. Lalonde: Mr. Speaker, if the hon. member has any information to the contrary, I challenge him to make a charge on that basis because I certainly would not tolerate political interference with research projects. I have never done so and I do not intend to do so in the future. If the hon. member has any facts, he should have the courage to stand up and make the charge.

Mr. Yewchuk: Mr. Speaker, I think the minister is a little sensitive over this. Because of that, he has failed to answer the question I asked him. Can the minister assure the House that all steps necessary have been taken to ensure that projects are chosen strictly on merit and for no other reason?

Mr. Lalonde: Mr. Speaker, it is not a question of sensitivity. The hon. member has made a serious allegation. He lacks the courage to stand up and be very precise.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lalonde: There was an allegation in the hon. member's question. Therefore, it was quite proper for me to raise this. I am glad to note the hon. member is backing off quite fast. As to the hon. member's question, there have been no steps taken for the good reason that there was no need to modify the previous practice which was clearly that research projects were decided on and carried out purely on the basis of merit.

Oral Questions

OLYMPIC GAMES

FEDERAL FINANCIAL ASSISTANCE—POSSIBILITY OF CHANGE IN GOVERNMENT POSITION IF QUEBEC AGREES TO CONSTITUTIONAL CHANGES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Acting Prime Minister. It has to do with further assistance asked for by the government of Quebec in connection with the large Olympic deficit. The Prime Minister has irrevocably stated over and over again that under no circumstances will further assistance be given. Has there been any change in the oft repeated declaration by the Prime Minister that no further assistance, other than that already provided for, will be given, regardless of any pressure?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I heard the Premier of Quebec make his statement. I have checked with the Prime Minister's office and I have had many conversations on the subject with the Prime Minister. As far as I know, there has been no change in Canadian government policy.

Mr. Diefenbaker: May I ask the Prime Minister whether, in view of the desire of the Prime Minister to bring about the patriation of the constitution or a new constitution and as he and the Premier of Quebec will be meeting this weekend, if the Premier of Quebec withdraws his objections to certain elements in the constitutional change that had its elementation in the Victoria Charter, the government of Canada will consider giving further assistance, provided the government of Quebec will agree to the amendments that the government of Canada wishes to make to the constitution?

Mr. Sharp: Mr. Speaker, I doubt whether the province of Quebec would change its views for those kinds of considerations. Therefore, I am a little surprised at the suggestion being made by the right hon. member for Prince Albert.

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IMMIGRATION

ADMITTANCE OF MEMBERS OF PALESTINIAN LIBERATION ORGANIZATION TO HABITAT CONFERENCE—GOVERNMENT POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, in the absence of the Minister of Manpower and Immigration, I will direct my question to the Acting Prime Minister. Is the government continuing to say, even with the authority it now has from Bill C-85, that it will exclude from Canada members of the PLO who are known terrorists? I ask this because the agreement the government signed with the United Nations to hold the Habitat conference here seems to oblige it to admit them if they are invited or designated by the Secretary General to attend that conference. Finally, in fact does not the signing of that agreement mean that to this extent, the government has stepped back from the policy on this stated last fall?

Hon. Mitchell Sharp (Acting Prime Minister): That is not my impression, Mr. Speaker, but I will certainly check it with the Minister of Manpower and Immigration. As far as I know, the Canadian government has never changed its view which was that we would admit observers from the PLO, but not known terrorists.

[Mr. Lalonde.]

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[*Translation*]

FINANCE

REASON FOR SUCCESS OF ROYAL BANK WHILE GOVERNMENT HAS DEFICIT

Mr. Eudore Allard (Rimouski): Mr. Speaker, I want to put a question to the Minister of Finance.

Since the federal government incurred a deficit of more than $3.5 billion last year and since only one bank—the Royal Bank of Canada—saw its assets increase by $3.5 billion during the same period, could the Minister explain this deficit and this increase to the House?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I must say that for reasons that are well known we do not accept the hon. member's analysis of these matters. This difference in economic philosophy could perhaps be the subject of a debate in the House at some time, but I cannot give a short answer to the question at this point.

GOVERNMENT POSITION ON INTEREST RATES

Mr. Eudore Allard (Rimouski): Mr. Speaker, is the minister suggesting, by his reply, that current interest rates are normal?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, would the hon. member please repeat his question?

Mr. Allard: Mr. Speaker, is the minister suggesting that current interest rates are normal?

Mr. Macdonald (Rosedale): No, Mr. Speaker, I think they are very high indeed. That is, partly, because of present inflation in Canada. That is why we set up our control program.

* * *

[*English*]

TRADE

REASON GREECE PURCHASED LOCKHEED AIRCRAFT RATHER THAN CANADIAN

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is to the Acting Prime Minister. In view of a call in Greece for an inquiry into that government's purchase of Lockheed transport airplanes rather than those of Canadair a few years ago, and in view of the fact that the Lockheed aircraft was the most expensive to purchase as well as the most expensive to operate, and because several officers in the armed forces preferred the Canadian aircraft, will the Acting Prime Minister, because of jobs in this country and so on, give the House an explanation as to

why the Greek government purchased the Lockheed aircraft over the Canadian?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is my impression that this explanation was given to the House by my colleague, the Minister of National Defence, in which he justified the selection of Lockheed. It was selected purely on the basis of its general advantage to Canada.

Mr. Nystrom: I am talking about Greece, not Canada. I know the Acting Prime Minister is having a little difficulty. There has been a call in Greece for an inquiry to determine why that government purchased Lockheed transport airplanes rather than planes from Canadair despite the fact that Canadair aircraft are cheaper and operate much more efficiently according to air force officers in Greece itself. Bearing in mind the implication for employment in this country, does the Acting Prime Minister have an explanation from the Greek government as to why they purchased Lockheed aircraft rather than our own despite the fact they are much more expensive?

● (1440)

Mr. Sharp: No, Mr. Speaker, I do not. But I will inquire and ascertain whether there is some explanation, because we are anxious to sell our aircraft wherever we can.

REQUEST FOR LIST OF CONTRACTS FOR WHICH LOCKHEED WAS IN COMPETITION WITH CANADIAN FIRM

Mr. Lorne Nystrom (Yorkton-Melville): Can the Acting Prime Minister provide us with a list of all contracts in connection with which a Canadian aircraft firm was in direct competition with Lockheed?

Hon. Mitchell Sharp (Acting Prime Minister): I do not know whether we would have that information. Most of the companies concerned are private companies and they would not necessarily provide us with that information. However, I will see what I can do to satisfy the hon. member's curiosity.

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HOUSING

RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM—REQUEST FOR CLARIFICATION

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, in the absence of the Minister of State for Urban Affairs I should like to direct a question to his parliamentary secretary and ask him whether he has any up-to-date information on the proposed residential rehabilitation assistance program which was to be announced. I know we would like to hear about it.

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I can at least confirm some leaks which were put out last week, I do not know by whom. The maximum amount of money a home owner may borrow from CMHC to rehabilitate a house will be increased from $5,000 to $10,000 under the new RRAP regulations. The maximum amount of grant in the form of loan forgiveness is increased from $2,500 to $3,750. This grant portion of an RRAP loan is determined by various factors, including the size of the loan and the borrower's income. RRAP funds are intended primarily for moderate income persons who want to extend the useful lives of their houses.

Some hon. Members: Speech!

Mr. Gauthier (Ottawa-Vanier): The program is not universal but is closely associated with the Neighbourhood Improvement Program which is helping many municipalities preserve and improve older urban neighbourhoods in danger of decay or destruction.

Some hon. Members: Hear, hear!

* * *

NATIONAL PARKS

ENTRANCE FEES—REQUEST FOR REMOVAL FROM HISTORIC PARKS

Mr. Dean Whiteway (Selkirk): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. It has to do with a subject I raised in the House last week and, particularly, with a statement which the minister himself made last Friday. Now that he has had an opportunity over the weekend to reflect more deeply on the facts, can the hon. gentleman tell the House when he will make a second revision of the fee structure which will remove completely the fee structure presently governing admission to our four national historic parks.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): That is not our intention, Mr. Speaker.

Mr. Whiteway: Bearing in mind the marked decline in admissions and the reasons given by the minister last year when the fee structure was set up, and taking into consideration, also, the results in terms of revenue versus the expense incurred in collecting the money, would the minister undertake a study to determine whether any admission fee at all should be charged to those entering our parks?

Mr. Buchanan: That type of study was conducted prior to the change which was announced last Friday.

* * *

HEALTH

PHARMACARE—GOVERNMENT INTENTIONS WITH REGARD TO ESTABLISHING PLAN

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Is it the intention of the government to establish a Canada wide drug plan?

Hon. Marc Lalonde (Minister of National Health and Welfare): Would the hon. member clarify his question? Does he mean Pharmacare, or something else?

Mr. Hamilton (Swift Current-Maple Creek): Yes, Pharmacare.

Mr. Lalonde: There is no such intention at the present time.

* * *

AGRICULTURE

EGGS—RECONCILIATION OF IMPORTS WITH DIRECTIONS TO REDUCE CANADIAN PRODUCTION

Mr. Gordon Towers (Red Deer): Can the Minister of Agriculture explain to the House how he reconciles the importing of eggs into Canada, as was done prior to Christmas and again in recent weeks, with directions to Canadian producers to cut back production?

Hon. E. F. Whelan (Minister of Agriculture): I am sure the hon. member knows that it has been customary to import eggs into Canada from time to time. A surprising factor has been the increase in Canadian consumption. The other day I used the figure of 9 per cent as representing the increase over and above any other months of January or February. I was wrong. The increase in consumption amounted to 14 per cent.

Mr. Towers: Can the minister tell the House whether or not it is cheaper to import eggs than to produce them in Canada?

Mr. Whelan: It is rather costly. CEMA had to pay the extra cost because the United States eggs coming in at that time were more expensive than were eggs in Canada.

* * *

NATIONAL PARKS

ENTRANCE FEES—REQUEST FOR ABOLITION—POSITION OF PRINCE EDWARD ISLAND

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, may I direct a question to the Minister of Indian Affairs and Northern Development? It has to do with his weekend conferences in the Atlantic regions concerning entrance fees to national parks. Is the minister in a position to advise us whether he has won the support of the government of Prince Edward Island for his new scale of fees and, if not, will he give consideration to the suggestion implied in the supplementary of my hon. friend from Selkirk?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think the position would have to be stated in this way: the government of Prince Edward Island is not elated at the concept of fees at all but is prepared, relunctantly, to accept them on this modified basis.

[Mr. Lalonde.]

INQUIRY OF THE MINISTRY

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is addressed to the Acting Prime Minister. In scrutinizing the spending of the government for the fiscal year 1976-77 and the anticipated projection for 1978, would the hon. gentleman restrain the Prime Minister from spending $5.2 million on the East Block, bearing in mind that the new Leader of Her Majesty's Loyal Opposition will have some renovation plans of his own when he takes over as Prime Minister in 1978?

Some hon. Members: Hear, hear!

* * *

[*Translation*]

FINANCE

BALANCE OF PAYMENTS DEFICIT—REQUEST FOR STAGGERING OF CAPITAL INVESTMENT DEMANDS

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, I should like to put a question to the Minister of Finance.

In light of the statements of the Minister of Industry, Trade and Commerce on the deterioration of our balance of payments deficit, is the government considering taking concrete steps to remedy the situation and more particularly to stagger capital demands so that they might not all come up at once and that Canadian savings might be able to finance major capital expenditure projects?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, with regard to the last part of the question, I have already suggested to my provincial counterparts that we should have consultations with a view to setting up a more co-operative program with regard to capital needs in Canada.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

DATE OF ANNOUNCEMENT OF PLAN FOR PROTECTION OF NORTHERN ENVIRONMENT AND DECISION ON DRILLING PLANS OF DOME PETROLEUM

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, my question is to the Minister of the Environment and is supplementary to questions asked previously in this House regarding oil spills and environmental damage to the north. In view of the fact that a senior official in the Department of Northern Affairs monitoring environmental factors has stated that he has never seen an oil spill contingency plan, and bearing in mind the minister's interest in the ecology of the north as expressed by his answers in the House, will the hon. gentleman tell us whether he has developed, or is now developing, a comprehensive environment protection plan and, if so, when the details will be made known to the House?

[*Translation*]

Hon. Jean Marchand (Minister of the Environment): Mr. Speaker, since there have been oil spills in the high

Seas or in Canadian waters, the Department of Transport, the Department of the Environment and even the companies concerned developed techniques to try to go around this difficulty, and technological studies are now being made on the possibility of extracting oil in the Beaufort Sea for example, where new techniques are contemplated to cope with this threat which can really destroy the environment. So we continue to seek means to prevent disasters of this kind.

[*English*]

Mr. Holmes: Would the minister now tell us whether or not he supports his department's contention that the offshore oil drilling planned for the summer by Dome Petroleum should not take place?

Mr. Marchand (Langelier): No decision has been reached on that subject.

Mr. Bob Brisco (Kootenay West): I should like to ask the minister when we might expect a decision on this very delicate issue in view of the fact that our supplies of petroleum and natural gas are so limited?

Mr. Marchand (Langelier): The hon. member will recall that a few years ago we accepted that drilling should take place in the Beaufort Sea. In that context, bearing in mind the new technology which is being developed in order to protect the environment, I expect we shall find it necessary to reach a decision very shortly, probably during March.

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NORTHERN CANADA POWER COMMISSION

POSTPONEMENT OF RATE INCREASE IN YUKON—REASON FOR FAILURE TO TAKE SIMILAR ACTION IN NORTHWEST TERRITORIES

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. On January 26 the hon. gentleman's department put out a news release or communiqué with respect to investigations into NCPC. In that news release there is an indication that the minister had requested the NCPC to postpone the increase in rates in the Yukon until May 1. Has the NCPC, in fact, frozen the rates to domestic users until May 1 in the Yukon?

● (1450)

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker, it is my understanding that that has been done.

Mr. Neil: Mr. Speaker, in view of the fact that domestic rates in the Northwest Territories have not been frozen and residents of Inuvik have been informed that the rates have been increased as at February 11, will the minister take some steps in the Northwest Territories to ensure the residents there that the freeze will be put on their rates until May 1?

Mr. Buchanan: Mr. Speaker, I would have to check on that. There was to be an increase in the Northwest Territories at the end of February but that was withdrawn, to the best of my knowledge, until next November. Perhaps this domestic increase to which the hon. member is referring flows from the increase last October, but I will have to look into that.

* * *

HEALTH

REASON FOR RESIGNATION OF DR. WIGGINS FROM RESEARCH BRANCH—REQUEST FOR STATEMENT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of National Health and Welfare that is supplementary to questions asked earlier by the hon. member for Athabasca. Will the minister make a statement on motions in the House explaining what factors led to the resignation of Dr. Wiggins in particular relating to the national health and research development program grants selection process?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the answer is no because, if we had to begin making statements in the House each time a civil servant resigns, we would be forever making statements.

* * *

[*English*]

PUBLIC SERVICE

SMALL NUMBER OF INFORMATION CANADA EMPLOYEES FINDING EMPLOYMENT—GOVERNMENT ACTION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a question for the President of the Treasury Board having to do with the closing down of Information Canada and the fact that 383 staff members were asked to look elsewhere for employment. In view of the minister's assurance that most of these would be found alternative employment within the Public Service of Canada, and in view of the fact that only about one-third of them have been found employment up to this point and their termination date is March 31, 1976, can the minister assure the House that every effort is being made to relocate these people within the public service?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, my answer is yes.

[*English*]

Mr. Baker (Grenville-Carleton): Mr. Speaker, in view of the statistics I have given, and the minister can no doubt check them, will the minister personally undertake to review this placement procedure which has led the minister to give the assurance he gave in view of the fact that up to this point the record is not nearly as good as it ought to appear?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I will check to see if the statistics mentioned by the hon. member are correct. I can assure him that every effort will be made to try to accom-

modate these people within the public service. Perhaps I might also remind the hon. gentleman that on several occasions members of the opposition urged us to abolish Information Canada.

* * *

[*English*]

FISHERIES

SEALS—REQUEST FOR TABLING OF REPORT ON DECLINE IN POPULATION AND NEED FOR DECREASING QUOTAS

Mr. John Gilbert (Broadview): Mr. Speaker, I should like to ask whether the Minister of State for Fisheries will table the report he has received concerning the serious decline in the seal population and the necessity of decreasing quotas for the seal hunt?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, it would help if I knew to which report the hon. member was alluding. If it is the first one which was given to me in early fall, and which was more pessimistic than the data indicated eventually, I can certainly undertake to make it available to the hon. member. The second meeting on the issue was a meeting that I attended, but I do not think there was a written report, but rather a verbal communication. I will certainly look into this because I want information to be available.

Mr. Gilbert: Mr. Speaker, has the minister any studies with regard to alternative employment for persons who would be affected by a stoppage of the seal hunt and, if so, would he make those available at the same time?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I am afraid this is a non-starter, because even if alternative employment could be found the competition for the fish between seals and fishermen needing that fish, particularly herring, caplin and cod, would make it necessary for us to cull the herd.

* * *

COMMUNICATIONS

CABLEVISION—PROPOSED REVIEW OF DECISION NOT TO ALLOW ACCEPTANCE FOR ADVERTISING

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I wonder if I might ask the Minister of Communications whether she has had an opportunity to review the decision of the CRTC not to allow small community cable TV systems to accept advertising to offset the programming costs, and I ask this in light of the fact that the CRTC decision not to allow these small stations to continue accepting advertising will result in a deterioration of the amount of community programming available on these cable systems?

[*Translation*]

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, the CRTC regulation demanding that cable TV companies broadcast a certain amount of locally produced material can be justified by the money they make through cable operation. As for reviewing the policy to prevent the companies from obtaining advertising revenues, I have not yet had the opportunity to do so. The hon. member should keep in mind that this policy concerning the limitation of potential revenues is derived from the fact that it is important not to separate the viewers on the one hand from the revenues related to the viewers on the other.

[*English*]

Mr. Beatty: Mr. Speaker, I thank the minister for her answer. I am wondering if she intends to pursue this with the CRTC to get further information, and would she ask that the CRTC make public all studies it has done as to the effects of allowing cable television to accept advertising on the viability of other television and other media outlets in the affected area?

[*Translation*]

Mrs. Sauvé: Mr. Speaker, I think I have answered the hon. member's question regarding the rationale for this policy. The important point is not to split the source of income. However, as the hon. member suggests, I can discuss this matter with the CRTC chairman and ask him whether he can release the studies underlying his decision.

* * *

[*English*]

FISHERIES

LEVEL OF COMPENSATION TO ATLANTIC COAST FISHERMEN FOR STORM DAMAGE

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, in view of the loss suffered by the fishing industry as a result of last month's storms in items of equipment, boats, private wharves, buildings and processing facilities, will the Minister of State (Fisheries) advise the House what percentage of the replacement cost injured fishermen can expect under the present plans of reimbursement of loss?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I would have to check into this. I think there are different levels of compensation according to the type of equipment involved. I will look into it and try to answer the hon. member's question.

Mr. McCain: Mr. Speaker, in view of the rather poor income year which fishermen experienced last year, would the minister explore the possibility of a change in the regulations which would improve this reimbursement formula so it would approach replacement costs, in view of the fact that fishermen do not have enough money to return to business in many instances?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, the hon. member is very familiar, I am sure, having served in provincial government circles, with all these agreements between the provinces and the federal government regarding the disaster formula. To bring about a change is extremely difficult. I would say to the hon. member that the problem of the income of the fishermen in the last year, especially in the area of the Bay of Fundy, is one with which I am very much concerned at the moment, but I believe we must not mix the two situations.

Mr. McCain: Mr. Speaker, I suggest that what governments do they can undo. In view of the need, would the Minister of State (Fisheries) consider making very strong representations to the government of which he is a member to reconsider these regulations which are going to impose hardships when the fishermen are reimbursed?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, the initiative to trigger this program is very much with the provincial governments, and if the provincial government involved wants a change in the ground rules it should at least make representations to us. I have not heard of them yet.

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PETRO-CANADA

ALLEGED OFFER TO PURCHASE CANADIAN PETROFINA OPERATIONS—GOVERNMENT POSITION

Mr. Ron Huntington (Capilano): Mr. Speaker, I have a supplementary question to the Minister of Industry, Trade and Commerce. Could the minister report to the House on the reaction of the Belgium directors of Petrofina to the approach by Petro-Can to purchase their Canadian Fina operations?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): This is the first I have heard of it, Mr. Speaker.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. BROADBENT—MAILING OF INSERTS WITH OLD AGE PENSION AND FAMILY ALLOWANCE CHEQUES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I am rising on a question of privilege the nature of which I gave Your Honour notice earlier today. My question of privilege concerns the mailing out, at public expense, of political propaganda by the Liberal party to all recipients of the old age pension and family allowances. This was done in the form of a self-described "Message from the Prime Minister" and was mailed with the most recent family allowance and old age pension cheques to all recipients right across Canada.

Some hon. Members: Oh, oh!

● (1500)

Mr. Broadbent: Mr. Speaker, a minister or government department might appropriately send out information directly to those affected by describing either a change in a program or a new program. Certainly it should be factual information. I am prepared to concede there are matters of judgment involved. The point is that it is appropriate, it seems to me, for a minister of the Crown to inform recipients of a particular program or changes in that program

and no serious dispute could be entered upon or raised concerning such action.

I submit that the self-described "Message from the Prime Minister" does not in the slightest way fit into this category. It fails completely, in my judgment, to meet this reasonable test. I say this for two reasons. First, it is a general message on the anti-inflation program and has absolutely nothing to do with either family allowances or old age pensions. Second, and of even greater significance, it is, in my most serious judgment, in this form and content blatant political propaganda, in fact, on the government's anti-inflation program. It does not even pretend to be merely providing information on legislative changes. It offers argumentation in favour of those changes. A Liberal member says, "Absolutely". To illustrate my point, I wish to take a few quotations from the self-described "Message from the Prime Minister" to all Canadian old age pensioners and recipients of family allowance. First, in one paragraph in the opening part of the letter he says:

> One problem is our own attitude—how we react to the fears and uncertainties of inflation.

Well, Mr. Speaker, that is an argument. There are many economists in this country who would say that is simply hogwash. Inflation has everything to do with structures in the economy, and nothing to do with attitudes. Further on he says:

> —powerful groups—

He loves to single out these groups.

> —have gone farther, pushing up their price and income demands an extra notch or two as insurance against their fears and expectations of even worse inflation. That is how Canadian inflation has grown.

Again, that is an argument about which there is serious economic and political dispute. Further on, at the back of the Prime Minister's letter, the judgmental attitude becomes even clearer. He says, on a section allegedly to provide information about the salary and wage controls:

> Now that the law restrains price increases, it is fair and reasonable to expect restraint in incomes.

Could anything be more judgmental or less a mere description of factual change in the law? Later on in the same section he says:

> Furthermore, a federal surtax of 10 per cent will be imposed in 1976 on taxable personal incomes in excess of $30,000.

When that was announced just before Christmas, we indicated that that in itself is not even a factual description and is very misleading. The tax involved is 35 cents—they did not notice that—for people whose income is $35,000 or more. I could go on. The fact is that what we have here is Liberal propaganda. I submit this action is an abuse of the power of the office of the Prime Minister (Mr. Trudeau) and constitutes an intrusion of the privileges of all opposition parties all of whom disagree deeply with at least some of the judgments expressed in the Prime Minister's letter. No opposition member of parliament could mail out, at public expense, such a letter. I submit that the Prime Minister is completely wrong in abusing his office by so doing.

This mailing would cost in the neighbourhood of $527,589 for the Liberals to produce on their own. That is a minimum estimate of the cost, based on one cent per leaflet which, considering the cost of paper, is pretty minimal—

one cent per envelope and eight cents for a stamp. The cost of this propaganda of the Liberal Party of Canada would have been $527,589.

Mr. Speaker, if you rule that I have a prima facie case of privilege, I would move that this most serious matter be referred to the House committee on privileges and elections and that steps be taken to ensure that the Liberal Party of Canada reimburse the public treasury for this expense.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am sure the House will have great difficulty in taking seriously the matter raised by the hon. member for Oshawa-Whitby (Mr. Broadbent). In effect, I would say this is just another typical case of NDP hypocrisy.

Some hon. Members: Hear, hear!

Mr. Lalonde: For the last several months this government has indeed sent Canadian citizens inserts with old age pension cheques and family allowance cheques, giving information to these citizens about the programs both in my department and other departments. I could send the hon. member for Winnipeg North Centre (Mr. Knowles) a whole series of them and he would find that they cover the many and various activities of the federal government. This government has always been extremely careful to see that anything being sent to citizens is based on legislstion and programs approved first by this parliament. Here, Mr. Speaker, I am not referring to instances like the Christmas letter sent out in the middle of the election by the former premier of British Columbia.

An hon. Member: Right on.

Mr. Lalonde: This letter was sent out on government stationery, at government expense, and had nothing to do with programs. Also, I am not referring to the letter recently sent out by the Premier of Saskatchewan—

Mr. Broadbent: I am not talking about—

Mr. Lalonde: —which was a personal letter from the Premier of Saskatchewan accompanying medicare premium information, mailed to all Saskatchewan residents at public expense. I am not referring to that because, Mr. Speaker, this government does not engage in this type of political propaganda.

Some hon. Members: Hear, hear!

Mr. Lalonde: The anti-inflation program is not the Liberal party's program. It is a government program based on legislation passed and approved by this parliament. It is a program that the hon. member might be pleased to hear has the support of all the provinces in this country. When the hon. member says it has nothing to do with the recipients, he has not even read his own speeches, because during the whole of the debate on the anti-inflation program he argued that the people who would be affected most by this program would be families, senior citizens and the like.

This cheque insert is addressed precisely to those people whom the hon. member said would be most affected by this program, the senior citizens and Canadian families. This program will affect these people beneficially and, as we have said as a government, this program, in order to be a success or to achieve success, will have to have the support of Canadians across this country and will be very much dependent on the role played by the individuals in their activities. This was basically the message from the Prime Minister (Mr. Trudeau), that we must all, as Canadian citizens, do our share in the current inflation fight that has once more been endorsed by this parliament.

● (1510)

Some hon. Members: Hear, hear!

Mr. Lalonde: It is the height of irresponsibility for the hon. member for Oshawa-Whitby to raise this issue as a partisan issue when it is a matter that is being faced by the whole country. Our action in this regard is based on the will of parliament itself. He says it is argumentative. Certainly it is argumentative: it presents arguments; it is not purely statistics. I refer the hon. member to all the previous inserts; he will find arguments throughout them. They are fundamentally instruments to inform the public and make the public aware of reasons for various activities and programs.

I respectfully submit that the hon. member for Oshawa-Whitby has no point and no case and that this motion should be ruled out of order.

Some hon. Members: Hear, hear!

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I hesitate somewhat to get into this "lovers' spat." It is probably an indication of the political climate of this country that these marriage partners have at least changed the double bed for twin beds. In any event, I read the document to which the hon. member for Oshawa-Whitby (Mr. Broadbent) referred and I was somewhat concerned about the message that it contained for the reasons that have been set forth by the hon. member for Oshawa-Whitby.

I am aware of the matters that have been raised by the Minister of National Health and Welfare (Mr. Lalonde) with respect to provincial governments of the political faith of the hon. member for Oshawa-Whitby, but what really concerns me, and where I think Canadian people and members of this parliament have a real beef, is that no one, neither the Prime Minister, the Minister of National Health and Welfare, nor anyone else, has come to this House to explain the flip-flop which has occurred since the election of 1974.

Some hon. Members: Order.

Mr. Baker (Grenville-Carleton): If there is any explanation we should have it, and if the Canadian people have any quarrel whatsoever—and if this parliament, therefore, in terms of its privileges, has any quarrel—with the insert in the old age security and family allowance envelopes, then I think it is the absence of any explanation of the flip-flop which has heaped on this government a load of incredibility in terms of the people of this country and of this parliament.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I suggest that the Minister of National Health and Welfare (Mr. Lalonde) has demonstrated the desirability of this matter being referred to a standing committee so that a comparison can be made of the various inserts that we have had in old age pension and family allowance envelopes for the past number of months.

Mr. Broadbent: With Saskatchewan, too.

Mr. Knowles (Winnipeg North Centre): Most members in the House get these inserts either in their old age pension cheques or their family allowance cheques. I accept in general the statement made by the Minister of National Health and Welfare that most of the inserts have been based on matters that have been the subject of legislation by this parliament. But it takes an exception to test the rule. I wonder about the insert a couple of months ago which was sent to all old age pensioners, entitled "On Bird Watching". It was a catchy title and those of us who received it took a good look at it, but apparently it had to do with watching a bird, namely, a chicken or a turkey, being cooked. Was that based on legislation?

An hon. Member: Liberals have a monopoly on turkeys.

Mr. Speaker: Order, please. The point raised initially by the hon. member for Oshawa-Whitby (Mr. Broadbent) was a question of privilege having to do with a specific mailing over the signature of the Prime Minister (Mr. Trudeau) with family allowance and old age pension cheques. It did not refer to previous examples, and I would want to make sure that the hon. member for Oshawa-Whitby has raised a grievance, a matter of discussion or a matter of debate rather than a question of privilege. What is happening is that all hon. members who are getting into the discussion on the procedural point are proceeding to debate the matter, which persuades me more and more that it is a matter of debate and not a question of procedure. If there is a question of procedure involved, I would certainly like to hear it.

Mr. Knowles (Winnipeg North Centre): I quite agree with Your Honour that the leader of this party raised a specific point and that is what this point of privilege is all about. I was simply dealing with an attempt by the Minister of National Health and Welfare to bring in these other leaflets. I suggest that the one telling us how to cook chicken and turkey was not based on any legislation passed by this parliament.

The point about this leaflet entitled "A Message from the Prime Minister" is that it does not even pretend to be addressed to old age pensioners or family allowance recipients; it does not pretend to have anything to do with the work of the Department of National Health and Welfare. Some of the leaflets that have been inserted have had a relationship; this one has no connection at all. As for the argument that it is simply a description of the legislation, that does not stand up at all even when one reads it in cursory fashion. I suggest that the sum of money involved in doing this, and the abuse of the rights of members of parliament being indulged in by the Prime Minister, warrant a study of this matter by a special committee of the House. The real issue is that the government has taken advantage of its envelopes and its eight-cent postage to send out material that is purely propaganda and is not informational material for old age pensioners or family allowance recipients at all.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I find it a little difficult to speak after having heard the declaration of the leader of the New Democratic Party (Mr. Broadbent). However we, the members of the Social Credit Party of Canada, are also members of the opposition but, to be honest, one must say that the message which was sent, and I read it several times, should have informed the people not about the intention of the government, but about its accomplishments.

Lots of people in Canada do not get newspaper and do not know what they are entitled to receive every month, whether $129, or $121, or $138, or $133.40 for their old age security and whatever.

I congratulate the government for its honesty in sending a message to these people so that they know what to expect, what they have left for living.

And I think that the motion presented by the leader of the New Democratic Party is completely out of order in terms of the Canadian people's well-being. What the federal government does by way of legislation, respecting, among others the Department of National Health and Welfare, must be proven particularly in the province of Quebec.

● (1520)

[*English*]

Mr. Speaker: As I indicated earlier, it is my impression that the conduct of an individual member in perhaps breaching any regulations which he may come under may be from time to time a matter of complaint, a specific charge, grievance, debate, public comment, and so on. In my opinion, it would take the most exceptional conduct to constitute even a prima facie case of privilege which ought to be referred to a standing committee.

The question of cost has been raised, and there seems to be some initial difficulty with that argument. The fact that the flier was not sent out in a separate envelope, under separate postage and expense, but was something included with something which was going to be sent out any way appeared somehow a fundamental argument as to cost.

My initial reaction is that this is a matter of grievance, debate and comment rather than a question of privilege. However, I feel that the hon. member for Oshawa-Whitby (Mr. Broadbent) has raised it in seriousness and perhaps I ought to examine the pamphlet and reflect on the matter for 24 hours before making a final ruling as to whether this constitutes a prima facie question of privilege. Accordingly, I will give my ruling tomorrow at three o'clock.

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[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 3,573, 3,934, 3,960, 4,036, 4,059 and 4,096.

[*Text*]

CONTRACTS TO URBANETICS LTD.

Question No. 3,573—**Mr. Cossitt:**

What are the details of any government business received in the past several years by Urbanetics Ltd., including information on any contracts or money involved?

Hon. C. M. Drury (Minister of Public Works): See answer to parliamentary question 3,359 answered on November 7, 1975.

PAYMENTS IN LIEU OF TAXES ON FEDERAL PROPERTY UNDER MUNICIPAL GRANTS ACT

Question No. 3,934—**Mr. Hnatyshyn:**

1. What was the total amount paid to municipalities and provinces in lieu of taxes on federal property under the Municipal Grants Act for (a) 1960 (b) 1970 (c) 1974 (d) 1975?

2. What was the amount each province received from payments to municipalities as compensation for that portion of property tax revenue lost and payments in lieu of taxes on federal property under the Municipal Grants Act for (a) 1960 (b) 1970 (c) 1974 (d) 1975?

Mr. Jacques L. Trudel (Parliamentary Secretary to Minister of Finance): 1.

	Federal Fiscal Year	Grants to Municipalities under Municipal Grants Act	Grants to Provinces under Real Property Grants Regulations	Total Grant Payments
(a)	1959-1960	$22,499,890	$ Nil	$22,499,890
(b)	1969-1970	47,847,754	1,609,818	49,457,572
(c)	1973-1974	63,285,410	2,099,186	65,384,596
(d)	1974-1975	68,706,603	3,226,657	71,933,260

2.

Province	(a) 1959-60 Federal Fiscal Year Grants to Municipalities	Grants to Provinces	(b) 1969-70 Federal Fiscal Year Grants to Municipalities	Grants to Provinces	Total Grants	(c) 1973-74 Federal Fiscal Year Grants to Municipalities	Grants to Provinces	Total Grants	(d) 1974-75 Federal Fiscal Year Grants to Municipalities	Grants to Provinces	Total Grants
Nfld.	$ 75,765	$Nil	$ 241,538	$ Nil	$ 241,538	$ 417,826	$ Nil	$ 417,826	$ 746,941	$ Nil	$ 746,941
P.E.I.	113,128	Nil	188,922	Nil	188,922	155,688	149,824	305,512	78,056	84,457	162,513
N.S.	2,137,518	Nil	3,379,270	Nil	3,379,270	5,144,564	Nil	5,144,564	4,318,940	Nil	4,318,940
N.B.	903,962	Nil	514,073	1,234,818	1,748,891	702,268	1,400,000	2,102,268	624,373	1,350,000	1,974,373
Que.	3,958,070	Nil	9,450,289	Nil	9,450,289	14,446,826	Nil	14,446,826	14,359,035	Nil	14,359,035
Ont.	9,771,124	Nil	22,368,914	Nil	22,368,914	27,379,159	Nil	27,379,159	32,018,657	Nil	32,018,657
Man.	1,258,494	Nil	3,361,828	Nil	3,361,828	4,255,122	Nil	4,255,122	5,131,056	Nil	5,131,056
Sask.	747,104	Nil	1,303,365	375,000	1,678,365	1,722,458	Nil	1,722,458	1,928,876	Nil	1,928,876
Alta.	1,605,339	Nil	2,805,658	Nil	2,805,658	3,523,334	Nil	3,523,334	3,532,507	Nil	3,532,507
B.C.	1,875,246	Nil	3,893,422	Nil	3,893,422	5,000,503	549,362	5,549,865	5,489,427	1,155,964	6,645,391
Yukon	33,000	Nil	93,909	Nil	93,909	250,752	Nil	250,752	213,781	488,687	702,468
N.W.T.	21,140	Nil	246,566	Nil	246,566	286,910	Nil	286,910	264,954	147,549	412,503
Total	$22,499,890	$Nil	$47,847,754	$1,609,818	$49,457,572	$63,285,410	$2,099,186	$65,384,596	$68,706,603	$3,226,657	$71,933,260

FRASER VALLEY WEST

Question No. 3,960—**Mr. Wenman:**

1. What is the classification of the post offices in each municipality in the Constituency of Fraser Valley West?

2. In each case, are there current plans to upgrade their classification?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): 1.

Name	Classification	Group or Grade
Essondale	Revenue	1
Barnet	Revenue	1
Bradner	Revenue	2
Fort Langley	Semi-Staff	5
Albion	Revenue	2
Aldergrove	Staff	7
Maple Ridge	Sub 3	—
Port Coquitlam	Semi-Staff	8
Port Coquitlam	Sub 3	—
Maple Ridge	Sub 5	—
Langley	Sub 1	—
Mount Lehman	Semi-Staff	2
New Westminster	Postal Station Port Moody	
Milner	Revenue	5
Maple Ridge	Staff	8
Pitt Meadows	Semi-Staff	5
Port Coquitlam	Sub 2	—
Port Coquitlam	Sub 1	—
Maple Ridge	Sub 1	—
Langley	Semi-Staff	8
New Westminster	Sub 38	—
Whonnock	Revenue	6
Alvin	Revenue	1
Port Coquitlam	Sub 4	—

2. No changes are contemplated in staff post offices in Fraser Valley West. The upgrading of semi-staff and revenue post offices is dependent on the results of a periodical unit of work survey. No changes are contemplated for the sub post offices.

GRADE SEPARATION, NEPEAN TOWNSHIP

Question No. 4,036—**Mr. Baker (Grenville-Carleton):**

Did the Railway Transport Committee acknowledge receipt of a letter on December 2, 1972 and advise that the application for grade separation at the CNR tracks at Woodroffe Avenue in the Township of Nepean would be given "prompt attention" and, if so, on what date will the application be approved?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Finance): The Canadian Transport Commission advises as follows: The Railway Transport Committee

acknowledged receipt of application for a grade separation at the Canadian National Railways' tracks at Woodroffe Avenue in the township of Nepean in December 1972. The application under Part II of the Railway Relocation and Crossing Act was received February 12, 1976 and is now being dealt with.

TAX REBATE ON EXCAVATION AND TRENCHING EQUIPMENT

Question No. 4,059—**Mr. Hnatyshyn:**

Is the government considering a rebate tax on equipment purchased for use in an excavation and trenching business when such equipment is used for farm and/or municipal sewer and water?

Mr. Jacques L. Trudel (Parliamentary Secretary to Minister of Finance): The government is not considering the introduction of such a rebate. Changes in taxation measures are normally considered in the context of budgetary policy and announced accordingly.

FEDERAL TAXES IN QUEBEC ON GASOLINE, ETC.

Question No. 4,096—**Mr. Gauthier (Roberval):**

1. What are the federal taxes in Quebec on each gallon of (a) gasoline (b) heating fuel (c) natural gas excluding the 12 per cent excise tax?

2. During the past two years, how much did the government receive from such taxes?

Hon. Jack Cullen (Minister of National Revenue): 1. (a) Gasoline Grade 1, Sales Tax, 4.435 cents; Gasoline Grade 2, Sales Tax, 3.9 cents; Gasoline, low lead, Sales Tax, 3.9 cents; Gasoline, no lead, Sales Tax, 3.9 cents. (b) None. (c) None.

2. This information cannot be obtained because refiners consolidate tax payments on all products.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 3,531 could be made an order for return, this document could be tabled immediately.

[*Text*]

PEI DEVELOPMENT PLAN

Question No. 3,531—**Mr. MacDonald (Egmont):**

With reference to the PEI Development Plan for each programme and project covered, what (a) were the actual expenditures in each year of Phase 1 (b) are the anticipated expenditures in the first two years of Phase 2?

Return tabled.

* * *

[*English*]

STARRED QUESTION

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call starred question No. 3,677?

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

*RESTORATION OF SIR JOHN A. MACDONALD'S OFFICE IN EAST BLOCK

Question No. 3,677—**Mr. Fairweather:**

1. Will the government restore the office of Sir John A. Macdonald in the East Block as near as may be to its original condition?

2. Will the government open this historic office to the Canadian people?

[*English*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the answer to both paragraphs 1. and 2. is yes.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED GOVERNMENT FAILURE TO IMPROVE CANADA'S TRADING POSITION

Mr. Sinclair Stevens (York-Simcoe) moved:

That this House deplores the lack of any effective government policies to deal with Canada's worsening trade performance and, especially, the government's failure to provide meaningful incentives to increase productivity and thereby strengthen the competitive position of Canada's finished and manufactured products.

He said: Mr. Speaker, in opening the debate on the motion before us today, I suggest to hon. members that there are really three separate questions to be dealt with in today's debate. The first is the worsening trade performance of the nation in relation to our trading partners around the world. The second is the question of the lack of productivity in our industry and the fact that the government has not provided meaningful incentives to increase productivity in the nation. Third, the competitive position of Canada's manufactured products is something that must be constantly before this House in that at the present time our manufactured export trade is deteriorating at an alarming rate.

Before getting into more formal remarks, I should mention that I am sorry the Minister of Industry, Trade and Commerce (Mr. Jamieson) is not with us today. I understand he is touring the far east. We wish him well on that trade venture, but I point out that in view of the fact that the government gave us notice only on Thursday that this was to be an opposition day, we had no alternative but to bring on a debate with respect to trade. We think it is one of the most urgent economic issues facing this nation today. In this connection, I am pleased to see that the former minister of industry, trade and commerce, the present Minister of Energy, Mines and Resources (Mr. Gillespie), is with us. Perhaps he will be joining in the debate, because there are many unanswered questions still on the order paper from when he was minister of industry, trade and commerce. I am also pleased to see that the

Minister of Finance (Mr. Macdonald) is with us. Perhaps he will enter the debate and answer some of the questions which appear to exist with regard to trade itself.

Touching on that question, I point out that only last Thursday I asked a question of the Minister of Finance concerning the export levy and whether it was the intention to continue that levy in view of the fact that it must be discouraging our export trade. The minister at that time answered that he would be making a statement before very long. In fact, that evening—Thursday evening—he announced that the export levy was to be withdrawn. I mention that because surely that little incident in itself illustrates complete disorganization with respect to the government's approach in terms of encouraging trade for Canada. Last fall the government imposed an export levy which had a dampening effect on much of our export trade, and now, because of the difficulties which have arisen, it has to withdraw that proposition and should somehow explain to the nation why something which has caused a great deal of concern is now being suddenly dropped. I am pleased that the export levy has been dropped. I wish the government had had the foresight never to have imposed it in the first place.

I believe that the debate today is necessary, especially if we can hear presentations from government members, because the handling of the problem of our export imbalance is truly terribly vague. We know that the Prime Minister (Mr. Trudeau) has been musing about a new society and suggesting that there are certain villains who somehow are causing undue hardship for Canadians. I challenge that statement. I believe the Prime Minister is totally wrong in his assessment of what the problems are and I ask him to start naming some of the culprits he feels are the villains of today.

I say that because if we review the relative income share in Canada between corporate profits and labour income, we find that neither labour nor corporations have been taking an undue share of the national income, certainly since 1972. I point this out because the Bank of Canada published figures only this morning pointing out that in the fourth quarter of 1972, for example, corporation profit, after taxes, as a percentage of our national income was 9 per cent. Labour's income was 73.8 per cent in the fourth quarter of 1972. In the third quarter of 1975, corporate profits, after taxes, were still 9 per cent of our national income, while labour's share went down to 73 per cent. Is it not remarkable that in the United States labour's share of income is 75.3 per cent?

I believe figures of that kind should be cited more often, perhaps to put the lie to many of the statements which have been made by the Prime Minister in trying to avoid the main responsibility for the high unemployment and the high inflation in this country, namely, the responsibility of his government and its inept handling of the economy which we have witnessed over the last several years.

Some hon. Members: Hear, hear!

● (1530)

Mr. Stevens: Mr. Speaker, if I may, I should like first to put forth a few blunt facts. Last year, Canada had a $10 billion deficit in manufacturing trade. That compares to the United States which had an $11 billion surplus in its over-all trade position. All in all, in 1975 Canada suffered its first merchandise trade deficit since 1960. Commodity imports exceeded exports by about $1 billion last year. Our over-all current account deficit—that is, the balance of trade in goods and services—was about $5 billion last year. This year it is estimated by the Bank of Montreal that we will be in deficit to the extent of about $4 billion. In two years there will be a total trade deficit of $9 billion.

We have been living beyond our means for some time, yet the government has done very little to correct the problem. Canada's credit rating around the world is being jeopardized as international bankers become alarmed at our increasing trade deficit, our rising foreign debt, our high inflation and lack of productivity in industry. We need, and we have needed, their credit in international terms to keep afloat. The present administration has been balancing their international accounts by adjusting our monetary system so that Canadian provinces and municipalities have become big borrowers in international markets.

Last year it is estimated that Canadian borrowers took down one-quarter of the total amount borrowed internationally by all countries combined. We borrowed, from foreign sources, approximately $4.7 billion to cover our trade deficit of $5 billion. Total world borrowings last year were some $19 billion. Imagine, a country with the resources we have in Canada having to beg and borrow all over the world to balance our trade deficit position! These borrowings have forced up our dollar by approximately five cents in relation to the United States dollar, and the Bank of Canada has maintained a high interest rate structure about 2 per cent to 3 per cent higher than in other countries to make it all work. It is only a few months ago that the Canadian dollar traded at 96 cents in relation to the United States dollar.

It is balanced trade, not foreign borrowing that is needed. By borrowing at relatively high rates outside Canada, we are mortgaging our future to pay for current spending. It is no different, I would suggest to the House, than a merchant who finishes his year and finds that while he sold to his customers some $100,000 worth of goods in the past year, he paid $105,000 for others. By covering the $5,000 deficit he is simply piling up a debt which he must service through payment of interest and repayment of principal in future years.

We have the highest paid mandarins in the world in Ottawa, and they appear to have made a colossal error in judgment. Through a series of misreadings, miscalculations and plain obtuseness they have jockeyed Canada so that we are failing and falling down a slippery slope which month by month will be harder and harder to reclimb. As the Canadian dollar rises in value, our exports become increasingly expensive for others to buy. This puts the lid on any strong economic recovery in Canada. What the nation needs is either a cutback on imports or, preferably, a substantial increase in exports.

There are no easy ways to accomplish this. It would help if the Canadian dollar dropped in value. In that way our exports would become cheaper abroad, making Canadian goods somewhat more competitive, and in turn our imports would be more expensive and difficult to buy. As it now

stands, the situation must be handled with care and forethought or we will find Canada's future will be one of rising inflation with a rapidly declining standard of living.

In due course I should like to see Canada tackle a massive export sales program. Canada's future has to be an international future. We must become salesmen to the world, not just of our resources but of our manufactured goods, especially those with a high technology component. Our research and development has fallen behind in relation to our gross national product and to the amount expended by other countries. It must be increased to keep us competitive in world markets.

We are blessed with an abundance of resources that spell optimism for the future. One of our greatest natural resources is agriculture. We have an abundance of good, arable land in Prince Edward Island, in the Atlantic provinces, in Quebec, in Ontario, in the prairies, in British Columbia. Canada has the potential to be one of the world's greatest suppliers of food. But we must think positively. The government must now recognize the importance of the farmer to the security of the future. The world needs food, Canada can supply it. Food power is going to be more significant in the next decade than petro-power.

In this connection, Mr. Speaker, I was startled to sit in this House and hear the Minister of Agriculture (Mr. Whelan) talk about raising the import quota on cheese coming into this country to some 50 million pounds. A constituent in my riding went back to his home town of Bristol, England, and he told me that he could not buy Canadian cheese in the local cheese shop. He was told that Canadian cheese was being rationed, so little of it was available in England. What a ridiculous situation. We are importing more and more foreign-produced cheese at the same time as we are cutting down the export of our product; and we used to be one of the world leaders in the export of cheese.

Let us look at what the Americans did when caught in a situation similar to ours with a significant trade deficit back in 1972. In that year they had a deficit of $5 billion—no bigger than the present trade deficit in Canada. They felt the situation was intolerable, however, and went to their various producers, including agricultural producers, and told them to start producing and their products would be sold around the world. As a result of that activity, the economy was reversed from a $5 billion trade deficit to an $11 billion surplus within three years. Mr. Speaker, the same can be done in Canada. The same can be done with a government of vision, a government of decisiveness, a government that understands how to sell products all over the world.

Speaking of selling products all over the world, let us take one small example of how the United States managed to beat us in the sale of grain. As hon. members know, our grain is held in granaries in Canada and orders are processed after they are received. The grain is moved by our railways, if they are not struck, to our ports, if they are not struck, and eventually on to ships to go wherever the foreign market is, provided the ships are not struck. But what does the United States do? They place their grain in granaries around the world, for quick access, to be transported wherever the need arises. They have virtually put us in the position of being mere wholesalers of grain at the present time whereas they are retailers of the product.

In increasing our export trade it is essential that we increase productivity, especially in the manufacturing sector. It is in manufacturing that we have fallen behind so quickly and so regrettably. Among other western countries we have a lower percentage of our work force employed in manufacturing than any country except Ireland and Greece.

● (1540)

Today we are the largest importers of manufactured goods, importing more than any country in the world. We import, per capita, twice as much in manufactured goods as Europe, four times as much as the United States and ten times as much as Japan. The Canadian International Trade Centre recently reviewed Canada's trading patterns between 1930 and 1973. The centre paid particular attention to our 1974 trade. It said that our trade has deteriorated, especially in group four categories, manufactured goods of higher technology content. Unfortunately, we have been losing ground with the rest of the world in this area. We need to do more research and development, to produce and sell goods with a higher technology content. In short, our technology must be as good as the technology of the countries with which we compete.

In our debate on this motion we must impress on the government how necessary it is for Canada to take a responsible approach to its trading partners. Is it not ludicrous that the leader of this country's Liberal party should have chosen to go to Cuba at this very time, in the name of developing trade?

Mr. Paproski: Shame!

Mr. Stevens: That visit was undertaken despite reaction in the United States, our chief trading partner. Remember, we export to the United States 97 times more than we export to Cuba. While he was in Cuba, the leader of our Liberal party said:

> Leaders must come to terms with reality in the world and accept that they have to deal with countries with different systems of government. Perhaps Canadians, particularly the Liberal party, are a little quicker to come to grips with these realities.

The leader of the Canadian Liberal party is also reported to have described Castro as being a "pragmatic" and "charismatic" leader, a man who, in the ideological context in which he moves, is a man of world stature.

An hon. Member: Did he ask President Ford?

Mr. Stevens: What a contrast to what United States President Gerald Ford said last week. He called Fidel Castro an international outlaw. In my view, the leader of the Liberal party of Canada was foolhardy in his actions and words while in Cuba. Perhaps the Prime Minister intends to drive away United States business with Canada and in that way make us less dependent on that trade. In that way he could diminish our American trade imbalance without increasing our trade with other countries. A year ago today the House will recall that the Prime Minister was in Europe trying to put into practice the so-called third option of Canadian foreign policy, a policy which was designed to lessen Canadian dependence on the United

States. The Prime Minister wanted to diversify our export markets and to change our export mix away from the high proportion of resource exports in the Canadian economy.

The Prime Minister was trying to establish a contractual link with Europe in his trip of 12 months ago. Actually, diplomatic negotiations to do with the link began with a Canadian aide-mémoire in November, 1972. Both this aide-mémoire and a later one in April, 1974, were unsuccessful in generating European interest in a contractual link. According to the 1974 aide-mémoire, Canada wanted an agreement that would foster the development of long-term commercial and economic relations between Canada and the Common Market.

The Prime Minister wanted the Europeans to recognize Canada as an entity distinct from the United States. As he said on March 5, 1975, he wanted the Europeans to recognize us as a distinct, advanced industrial society. I emphasize the words "advanced" and "industrial" as used by the Prime Minister. It is obvious from his statement that he wants Canada to become less dependent on the United States, and wants the European community to see Canada as something more than an exporter of resources. He wants them to see us as an exporter of manufactured goods. These objectives may seem laudable on paper or in speeches, but how likely is this government to fulfil them?

More importantly, how do the Europeans feel about the Canadian view of the contractual link? Sir Christopher Soames, vice-president of the EEC commission, has said that he is looking to Canada for resources. To start with, the EEC is looking for deals on uranium, forest products and non-ferrous metals. Europe is not interested in Canadian-manufactured product exports; it is interested in our resources. France would like to participate in the construction of a uranium enrichment plant near James Bay. This would entail heavy foreign investment from a non-United States source. It is true that this project would lessen our dependence on the U.S., but Canada would not be shifting away from a resource-based economy.

The contractual link is far from finalized. I think Canada should know that unless the agreement encompasses manufactured goods as well as resources, our economy will benefit far less than the Prime Minister has been promising. If Canada is to experience continuously deficits of $10 billion or even $7 billion and more on manufactured goods, it matters little in terms of Canadian jobs, growth and income where these deficits are created.

I turn now to the question of free trade. The Minister of Industry, Trade and Commerce is reported today to have said that Canada is in for a long-term struggle with yawning balance of payments deficits. I note that he chose to give this bad news from the safe distance of Hong Kong. The minister is trying to arrange trade deals abroad. Although I applaud his efforts to encourage exports, I wonder if the magnitude of our trade deficit can be reduced appreciably by a few deals arranged around the world. Certainly it is a start, but a problem of the size we face must be solved with equally large-ranging solutions. Surely we need to alter how we look at trade. We must make major alterations in that regard. We need a new approach to what we sell, how we sell it and at what price. This is more than just patching up the current system.

The Economic Council of Canada suggested one approach to overcome our trade difficulties: specifically, that Canada should switch to free trade. According to the Economic Council, our manufacturers are producing too many varieties of goods. Because of insufficient specialization, our unit costs are higher and many of our manufactured products would be non-competitive whether or not our wage structures were competitive in the international sphere. The council suggests that the removal of tariff protection on domestic manufactured products would force a radical restructuring of Canadian industry. We would produce fewer varieties of goods but would produce goods of higher quality. Thus, our unit costs would go down and we would be more competitive in selling our products abroad. That is the council's position. Obviously, it is not that simple; nor does the Economic Council try to make it that simple. The ECC's report on free trade provides in great detail an analysis of the problem and a solution for it. Hon. members may or may not agree with the analysis or the solution, but it is worth serious study and debate if only because the council, which was created to advise the federal government, was serious in presenting it.

The report was presented to parliament nearly nine months ago. The government has had time to study it, but has not said so far if the idea is acceptable or if it proposes to make a future policy statement on the matter. Here is a serious proposal which the present administration has treated lightly. Here we see the failure of the government to seek new solutions to an old problem. If it is the policy of the minister to make periodic trips abroad to sell what he can—if that is his idea for creating a new trade—we can expect an even worse export performance and higher trade deficits in future.

● (1550)

Your Honour will recall it was only last Wednesday that I questioned the Minister of Industry, Trade and Commerce concerning some of the activities now taking place in the Export Development Corporation. As the House knows, our party endorses the concept of giving financing for the development of export trade in this country. However, we have repeatedly voiced our protest at the activities of EDC which appears in favour of certain selected companies over and above the rank and file businessmen of Canada.

It is most regrettable that 52 per cent of the total financing through EDC in 1975 was signed for the benefit of three companies, namely, Marine Industries Limited, of Quebec, Badcock and Wilcox, a New York-controlled concern, and Hawker-Siddeley, a United Kingdom-controlled concern. Those three companies, respectively, received $129.5 million, $126 million and $109 million of financing benefits in that one year alone as far as signed contracts are concerned. We do not believe it is sufficient for the minister to simply say we should not quibble over who gets the money, it is creating jobs and what more do you want? What we want is equitable treatment of those funds to ensure that all businessmen in Canada have access to them, especially the small businessmen of this country.

Some hon. Members: Hear, hear!

Mr. Stevens: If we are to develop our export trade, especially in the manufactured field, it is essential that our small manufacturers get special assistance for such things as export development financing as opposed to the favourite few who can probably look after themselves much better than some of the smaller companies in this country. I wish to emphasize we believe it is necessary that the government co-ordinate their programs and somehow explain to the nation, certainly to this House, what is the interinvolvement with regard to those programs as far as the business community is concerned.

In this connection, on May 28 of last year, at page 6212 of *Hansard* the hon. member for Vaudreuil (Mr. Herbert), a sometimes supporter of the government, indicated 20 different federal organizations and related agencies which deal directly with Canadian export trade. He went through each agency, pointing out that it had some bearing on the trade. He specifically stated he had done so because he hoped the then minister, the present Minister of Energy, Mines and Resources, would respond and explain exactly how these various agencies work in a co-ordinated way to ensure their expansion in the nation. To the best of my knowledge, the hon. member is still waiting for an explanation from either the former minister or the present Minister of Industry, Trade and Commerce. That is not good enough.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired. He may only continue with unanimous consent. Does the hon. member have consent?

Some hon. Members: Agreed.

Mr. Stevens: Thank you, Mr. Speaker. I thank hon. members for their courtesy in extending my time. If I may summarize, in dealing with the motion before us today it is urgent that the government first announce what incentives they intend to bring in to increase productivity in this country. Second, it is essential that they at least deal with the subject of free trade. Let us debate it. Let us have a meaningful discourse across the nation as to the advantages and disadvantages concerning this subject.

It is essential that the government announce an industrial strategy for the country, which is presumably to be worked out in conjunction with the provinces, labour, industry, business and consumer groups. It is not sufficiant to have the former minister of industry, trade and commerce state as he did on May 28, at page 6208 of *Hansard:*

—I do not believe it is possible to devise and tailor a great big blueprint which might be called an industrial strategy for Canada. Indeed, I believe, as the government does, that the right way is to deal with each industry on a case by case basis.

The evidence shows that that is just not working. Our trade deficit is mounting. It is time we had an industrial strategy for this nation. It is also time that heavier emphasis were put on research and development to ensure that our manufacturers especially, and all of our businessmen, become more productive as far as their relationship to other countries and companies is concerned.

It is time that all disincentives with regard to agricultural production in this country were removed. No longer should our producers, farmers and fishermen be told that they should not produce. It is the government which should sell their products. It is essential that we develop a trade mentality in the nation and realize that our future is one of international trade. To that end, we must develop a better transportation system so that the goods we produce can be marketed more effectively around the world. The Export Development Corporation must be directed to favour smaller businessmen of this country as opposed to the favourite few, as has been their habit in the past.

Finally, it is time the Canadian dollar was allowed to fall, along with interst rates in this nation. It is unforgivable that this government has fallen into the trap of having high domestic interest rates, 2 per cent to 3 per cent higher than most other countries of the world. It is inflicting a hardship on our homeowners and those who must use credit to pay for their personal needs. It is not necessary. It is only necessary because of the ineptitude of the government which is trying to cover its $5 billion trade deficit by borrowing from foreigners at high interest rates. That can be ended. It must be ended for the sake of Canada's future.

The Acting Speaker (Mr. Turner): The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton).

Mr. Nystrom: Mr. Speaker, I rise on a point of order. With respect, is it not a tradition of the House that on opposition days the mover of the motion speaks, and then the lead-off speakers of the other parties have a chance to participate before the second speaker of the party that moves the motion?

The Acting Speaker (Mr. Turner): The hon. member for Yorkton-Melville (Mr. Nystrom) will be the next speaker. The hon. member for Qu'Appelle-Moose Mountain.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, in introducing the position of the opposition, the hon. member for York-Simcoe (Mr. Stevens) gave the essential figures of the declining trade position of our country. In speaking to the motion, I want to emphasize what I think is the wide perspective of the situation that faces the Canadian people at the present time. There are two main subjects in this motion. The first is the trade performance of the government and second is the question of productivity of our industry, and that includes our government.

I wish to start by saying that a country like Canada, which is so dependent on world trade, has always to make its policies keeping in mind where it stands in the world of the present. To those of us who have been pondering this subject for a good many years, it is evident that the world is moving decisively and very quickly into the age of commodities. Over the last 200 years the world has been dominated by a military preponderance of one nation or a group of nations. We had the age of the deterrent of nuclear striking power. Now we are in an age, not of imperialism but an age where the demands of the people of the world are understood by all the people of all the countries as requesting some form of meeting their ordinary needs. These ordinary needs are the same in all countries, including Canada. The first is food, the second is shelter, and the third, the minimum health requirements of the people of the world.

● (1600)

This means that we as a nation should recognize we are part of a worldwide demand picture. We must realize that the institutions we have used in world trade over the last few decades have to be altered. I do not propose to review those institutions in great detail, but I shall mention a few of the things that have been done over the last 30 years. We were aware of the international demand for commodities during the last war. Shortly afterwards, the nations of the world not only set up the United Nations but, under the aegis of that institution, established the International Monetary Fund, the International Development Bank and the Food and Agriculture Organization.

Through Canadian initiative in 1961, the world food program came into being. But in the whole of that period, the nations of the world failed to establish an international institution dealing with trade and development. The western nations responded to this gap by moving toward an agreement which became the Geneva Agreement on Tariffs and Trade—GATT. This organization could be defined very simply as a union of the wealthy nations of the world trying to improve the terms of trade on which they dealt with the rest of the world as well as their well-being generally.

Some have described these GATT arrangements among the wealthier nations as a rich man's club handing out crumbs at the gate to those who beg there. That may be an oversimplification of what happened in this field after the war, but I do know that there have been three world conferences, known as UNCTAD conferences, trying to set up a wider organization. But they have failed because of the difficulties encountered with international finance, huge amounts of money which were lent by various governments, leading to the horrendous situation in which we find ourselves today in which the developing countries are saddled with enormous debts together with ever-worsening terms of trade which, coupled with higher interest rates, make it almost impossible for them to escape from the impasse in which they find themselves.

I am not laying the blame for this situation upon the federal government of Canada. It is well known that our nation has made efforts, in the Group of Ten and in other groups, to resolve these problems of international finance. But there are things which could have been done and which we should try to do. The difficulty we are facing is not new to Canada. I invite hon. members to go back a few years. I am speaking of the period in which the government of Canada was led by my right hon. friend from Prince Albert (Mr. Diefenbaker). The same sort of situation faced us then.

I shall be very blunt, as I have been in the past, in saying this. Generally speaking, the advisers to the government of Canada have tended to be restrictive in the advice they give. Some may recall that a recession faced us when we took over in 1957. We fought like tigers to get out of it, and we were getting out of it in 1958 and 1959. Then the advisers to the government handed us a budget calling for higher taxes, tight money and the reduction of public expenditure, a budget which sent us into a worse recession than the one we had just experienced.

At that time, the elected members who formed the government decided they should take a hand in making the decisions. In that period, 1959, 1960 and 1961, we ourselves determined the direction in which the country should go. We were the ones who, in that fight with senior management—I refer especially to the governor of the Bank of Canada—were to turn this country toward expansion. If hon. members look at the charts which tell the economic history of our country over the last 30 years, they will find that the longest period of steady growth upward was between February 1961, and February, 1968. This was because the government decided that it had some right, as representatives of the people, to say how the country should be run.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

I shall not enter upon a long account of past history. I am simply saying that in my view the present government has arrived at such a point now. The Prime Minister (Mr. Trudeau) is always appealing to us to come forward with some ideas. I try to be helpful to him. I am continually standing up here and making positive suggestions; I am not always happy about the results. In 1964, 12 years ago, I pointed out that we needed new trading institutions. In a speech made in October, 1964, I spoke of the need for Canada, bearing in mind our interest in world trade, to exercise pressure to secure the formation of international commodity agreements which would give producers in all parts of the world a fair price for their products, so that they in turn would have the money with which to buy what they wanted to buy instead of depending on handouts from richer nations.

With the support of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) we asked the government constantly from 1963 to 1968 to take a lead in this direction. But history shows that the administration, led at that time by Mr. Lester Pearson, turned its back on the concept of a new institution which would allow producers to receive a fair price for their products and that, instead, it joined with other countries such as the United States in electing for restrictive practices in world trade. I refer to GATT.

There is a further aspect of almost equal importance. Many importing countries need help not only financially but in their trading operations. If we want to sell goods to a country which does not have money with which to buy them, we must help it raise the level of its production and help it sell its goods on the international market. These are not new ideas, but they have fallen out of favour in the last 50 years. We need an international clearing house for short-term and medium-term loans to help finance the movement of goods for short periods, maybe for a few months.

I recall a dramatic moment in this House in the fall of 1963 when the minister of trade and commerce of that day said he was leaving for the opening meeting of the Kennedy round under GATT. My response from this side was, "You are going to GATT, you are taking the best mandarins of the civil service, and you will spend three or four years bargaining over percentages of decimal points. As far as I am concerned, speaking for the opposition, I am going to go to the People's Republic of China," and I used the earthy expression that I believed in going where the pastures were green and the cows were newly freshened. I point with some pride to the fact that in 1960 our total trade with the People's Republic of China was approxi-

mately $400 million a year, and today it is around $8 billion to $9 billion a year.

● (1610)

When I rose in this House a few days ago and asked the Prime Minister when he was in Venezuela if he had time to speak to the Venezuelans, thanking them for buying the goods from the People's Republic of China so that the People's Republic of China could get the Canadian dollars the Venezuelans have from our oil purchases to help pay for our wheat, he said, "Yes. I had the time but I did not know about it." This is symptomatic of the complete failure of the government in the past 12 years to face up to the fact that trade is not a two-way street. It is not just a question of travelling around, saying hello and being nice and setting up trade offices. Somebody has to do things to make trade work. You need that type of institution. These things have developed over the years, and the new nations now call it the new economic order. I am saying to the government that if it wants ideas, the ideas have been here for years if it wants to use them. But the performance has not only been nil; it has been negative.

There are other things that should be kept in mind. Our own companies are negligent in Canada. Too many of them have thought their only job was to sell to the local city. Too many of them have never bothered going into the export market. The hon. member for York-Simcoe mentioned that we are now in the age of a need for food.

How many people remember the Favex group of the fruit and vegetable people who set up an export company and went out and peddled Canadian fruit and vegetables under one trade name? What happened to Favex? It stopped operating the minute the Diefenbaker government disappeared, because no one was there to push it. Some will remember the name of Excan where, under the pressure of the people on this side, the four big pools in western Canada formed an export company to sell Canadian grain. How much have they sold? I would think I would be safe in saying nil, because there is nobody there to push it. It is willing to sell if it has the push put to it. I would say simply that if you want to push Canadian companies into action, all you have to do to Excan is say, "Here is a $50 million guarantee. Go out and peddle this stuff. You can meet the Americans with a better quality of wheat, and you can take any share of the market that you want, but get out there and sell it." I summarize that point by saying simply that this world is desperately in need of food and fibre, and that is the challenge before not only our agricultural industry but our forestry industry as well.

I know the present Liberal government, in its defence, will come along and say it has sent trade missions all over the world. I have followed the progress of these trade missions as well as most members of this House. I know they are good things. I have watched the work of the Export Development Corporation and I know it is doing some good things. However, when I think of all the things that could be done, I am just appalled. The basic complaint I have against the government is that it cannot get away from its basic love of restrictions. I remember in 1970, at a time when it was clear that the world was in desperate need for grain, this government believed in the reports of its own experts and applied the LIFT program to all farmers. Ministers stood in their place and said we had to stop all farmers producing wheat that year. Today we cannot even meet the market needs.

Last Friday the minister announced outside the House a 35-million bushel sale of wheat to China. He was overjoyed at this sale. That sale of wheat to China was made under the original agreement of 1961. The Chinese would take more wheat if they could get it, but we do not have it because our reserves are at the lowest point in years.

All I am really trying to ask is, with all these opportunities, what is the government doing? For example, when is it going to get the co-operatives in Canada to go out and visit Chinese trade fairs twice a year and make sure all the goods they can sell in Canada are bought in China in order to help the farmers sell their wheat? Simpson's has moved, Eaton's has moved, but no hardware company has gone out into this area yet. There are lots of opportunities, but somebody has to put the sock to these companies in order to make them move.

We consume about $20 million worth of rice a year in Canada. Where do we buy that rice? I suggest we buy it from Louisiana and California. We can get just as good rice, but cheaper in China. No one does a thing about pushing people out there to bring it in, because all our companies that distribute rice in Canada are controlled by the holding companies that own the rice farms in Louisiana and California. This is why we need national selling and buying companies to get around these bottlenecks that some monopolistic business has set up in this world.

As the hon. member for York-Simcoe mentioned, here we are trying to get our export industries to help save us by getting rid of these deficits, but this government, with its love of restrictions, last fall at Thanksgiving not only put the chop to labour and businessmen but it put on an export tax. I was the member of parliament who on November 4 got up and asked the Minister of Finance (Mr. Macdonald) about this small little item I saw in the Thanksgiving statement on price and wage controls. I warned the businessmen and the labour unions that they had better get together if they were going to save jobs for the people of Canada and give Canadians a chance to compete. Thanks to those labour men and businessmen—and, above all, thanks to the provinces—they showed this government the error of its ways and we had this retreat by the Minister of Finance last week that I described as Napoleonic. The Prime Minister, who indicates his fantasies too openly, mentioned Austerlitz. I just wonder what happens when the Prime Minister lets his fantasies go to the end of the dream. We know what happens to those men who take a revolutionary government or a free government and make it into a dictatorship.

This government is married to restrictions. In 1974, after fighting a campaign across this country against the Conservatives who only advocated a 90-day freeze and only a few selective controls out of which we could get immediately, the Liberals gave their pledge to the people of Canada that they would not go into wage and price controls. They frightened the workingman, got him to vote for them and then betrayed him with these wage and price controls. I know that this love of restrictions the government has is not only unfair to labour and unfair to business but it is unfair to the whole country. It is putting a

check on the efforts of the private business sector to get this country out of the recession.

Look at the indicators at the end of last January. Our economy started to move out of the recession in the first and second quarters of 1975. It was checked immediately in the last quarter, and the only thing that keeps us afloat today is the fact that our neighbour to the south, the United States, is still increasing its productivity, which is buoying us up. I know that this price and wage control is also inflationary. It even legislates the amount of inflation, 10 per cent, and it does not do anything to cure inflation.

The basic causes of inflation are well known. This is a posture the government has, and the technique of the Prime Minister is simply confrontation. Confrontation with labour and with business is the key. I would suggest to the government that it should face up to the facts. The country is concerned about the economics of this nation. The government should realize it has put the country into the wrong posture. It should change it toward one of expansion, using an expansionary period to get extra productivity. Productivity can come in many ways. It can come by bringing interest rates down.

● (1620)

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Some hon. Members: Carry on.

The Acting Speaker (Mr. Turner): The hon. member may carry on if there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I shall not abuse the privilege I have been given, Mr. Speaker. I just want to say there are many ways to increase this productivity. I am sorry the Minister of Labour (Mr. Munro) has left the House, because the way to get productivity out of labour is not to drive or force it. The same thing applies to business. You do not get anywhere with business, labour or Canadians generally by driving them. The only way a Canadian responds to a challenge is by leadership. Labour and business know they have many faults and they know that their extremes in the past few years have been part of the inflation problem, but there must be leadership of a positive nature.

I had intended to read a long list of ways in which to increase productivity, but I should like to conclude simply by saying that on the question of trade performance, for 12 years this government, regardless of its leader, has let the nation down. What we tried so hard to do under the leadership of the hon. member for Prince Edward-Hastings (Mr. Hees), and to a lesser extent some of the rest of us, was to turn the country into high gear on the manufacturing and resource side in order to obtain world markets. We have watched all our efforts to get this nation enthusiastically behind this drive disappear over the last 12 years. We are in the same situation now.

I have suggested to the government that the answer, contained in recommendations made to the government by royal commissions and people around the world, is in two or three simple things. Turn your tax system around and give an incentive in the form of everything in the tax system to productivity either on the part of the workingman or the man who invests capital; give incentive to the man who saves money. In this way you will get productivity and we will get at this question of inflation much more easily. It is a separate problem, even if it is related. If our country is growing we will know in our hearts we are meeting the real needs of the people of the world and not only of Canadians. At the same time, we will have a feeling that we are getting ahead faster by working hard and growing than by living in a country that is moving toward more and more restrictions.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I am very glad the hon. member for York-Simcoe (Mr. Stevens) has put down this motion today regarding trade, because I believe what is happening today in respect of Canada's trade picture, and what we will see happening in the future unless government policies change concerning the borrowing of billions of dollars in capital markets, and so on, is that there will be created for this country the most serious economic problems we have ever had. We have in this country really serious economic problems.

As we know, Canada is a country dominated by foreign investors. In many ways we are nothing but an economic unit and cannot make the decisions we must make if we are to turn this country around and provide jobs for ordinary Canadians. I look, for example, at the latest trade figures which came out in January, which show we had a trade deficit in Canada of $309 million, up from $91 million in December of last year. Importations in this country went up by 7 per cent to a record $3.1 billion. Exports declined marginally to $2.85 billion. What is happening is that we are seeing a trend in this country of exports dropping, and when exports drop there is an increase in unemployment. We have a government program of wage and price controls that is effectively bearing down primarily upon the workers in this country. If we put it all together, we will have in the next year or so an increased unemployment rate and more problems than we have today.

I think the time has come when we must have a reassessment of our economy in general so that we know where it is going. I think we must look at the situation in the long term. Certainly the short term is important and there are things we can do today, but in the long term we need an industrial strategy policy, a national industrial plan in which all parts of the country can play a much greater role. I look, first at what I think is the prime error that has been made in the past, which was touched on by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton). Primarily, we are a resource exporting nation. We export our raw materials and import finished goods. That alone means that we export business, which creates more unemployment in this country. When we have this type of branch line economy it means that if other economies are in trouble in the world or are suffering from a recession, we will be hurt because they will cut back on their purchase of our raw materials and unfinished goods.

All the taxation policies of this government in the past have been geared toward helping the resource section

rather than the manufacturing groups. We have in this country, as a result, a whole series of small industries and factories which tend to mimic the industries and corporations in the United States. I think, when we talk about an industrial strategy for Canada, we must talk about rationalizing industry in this country and about specialization in certain industries in order to compete abroad.

We in this country must be concerned about independence, because one of the real consequences of an economy that is not controlled by ourselves is that when the other countries run into problems, a branch line economy will be the first to be affected. We see this in respect of the United States. If the United States has a trade deficit or unemployment, then the corporate entrepreneurs in the United States will place their interests in Canada at a level secondary to those in the United States. This is, of course, the natural reaction.

If we are to solve, in the long term, some of our industrial and trade problems, Canada must have independence in respect of its own economy. We must have independence if we want to have research and development in this country and the creation of more jobs and more research with which, hopefully, to spur on Canadian industrial development. I think this is a real problem we must face in the years to come if we are to have a nation called Canada a few years down the line.

What really concerns me in looking at the future is the spectacle of the amount of money that we may borrow in foreign money markets in order to develop certain projects in this country. The Department of Energy, Mines and Resources is now talking about borrowing some $115 billion between now and the end of this century. This amount of $115 billion is for projects such as the development of the tar sands, the James Bay project, other hydro projects, pipelines such as the Mackenzie Valley pipeline, and so on. What will it mean if we borrow $115 billion. I think it will have serious ramifications in respect of the Canadian economy in the future. If we make that decision, first of all we will be spending all the money we can possibly borrow to develop the type of economy that has already given us trouble, an economy that is not based on manufacturing and processing of resources in this country, and an economy which I feel will become more and more foreign owned.

● (1630)

If we borrow these sums of money as a country, or as a province in the case of Quebec with the James Bay project, or any other province, what will probably happen is that the Canadian dollar will increase in value, and when it does it will be even more difficult to sell our exports abroad, whether they be farm products or manufactured goods. That, in turn, will create more unemployment in this country and more of the type of problems we already have. Furthermore, I really question the necessity of going into debt to so great an extent to develop grandiose projects like the James Bay project or the pipelines that are now being talked about in northern Canada.

It is the type of direction in which this country is being dragged, not because the people can or want to go in that direction but because huge, multinational corporations think it is wise that we borrow money, that we explore those resources and sell them and to hell with the Canadian people or with the planning of the future of this country that we call Canada. That will be a real problem in the future.

Another problem we will have, particularly if we start borrowing these vast sums of money, will be to diversify our trade. Already we are putting all our eggs into one basket, the basket of the United States. When the U.S. runs into trouble, it will obviously affect us here very quickly. I believe that one of the objectives of this country should be seriously to diversify our trade. We can do that if we have foresight and courage. The U.S. is a very powerful nation and of course it will be our major trading partner, but they have their own problems. The EEC nations also have their own problems. So we as Canada should be looking at areas of the world that will complement the type of country in which we live.

As Canadians, we have almost everything in this country except a tropical climate and the kinds of things that are produced in that type of climate. It makes sense for us to have stronger trading links with the Caribbean countries or with Latin America so that it would be of benefit not only to us but to them. We should have trading links with countries that are complementary. That is why I think we should trade a lot more with countries such as Cuba. There is no reason why we should not be purchasing sugar and citrus fruits from the Caribbean nations and Latin America, rather than from the U.S. It would be good for us and it would also be good for the country to which I referred. We should also consider greater trade with China. I think our country should spend more time and effort in trying to develop meaningful trade with nations such as China. That will be important if we as a country want to develop our trade in the future.

Much has been said in this debate and other debates about incentives and the lack of incentives. I challenge the very idea of providing incentives as a way of solving trade problems. Last Friday in the House we heard the minister state that the export levy or charge which was to be imposed on companies in this country was being dropped. This will be of some aid to exporters, but I suggest it might distort many of the market conditions in this country by encouraging companies to divert production from domestic to export markets. Two or three years ago vast write-offs for manufacturing companies were introduced in the House, and corporate taxes for manufacturing companies were cut. Despite that, we are now moving into a crisis in our balance of trade. Our trade in manufactured goods has dropped drastically.

Corporations do not respond to carrots or to hand-outs that are given before the fact. There is no real proof that the type of tax cuts that have been given in this country have stimulated manufacturing. I believe the Conservative party is on the wrong track when its members argue, as the hon. member for York-Simcoe did today, that the solution is to provide more and more incentives and tax write-offs to manufacturing companies. Instead of that, what we need is a planned economy, an economy that is planned on behalf of all the people of this country, not planned by the large, multinational corporations.

One of our prime objectives should be to upgrade raw materials and resources prior to export. We do not need an economy that exports solely raw materials for the sake of

making a few bucks in the short term. Only the national government can take a lead in providing us with an economy where we manufacture or process our raw materials. We need an economy where public ownership plays a much more meaningful and forceful role as a means of securing more independence for Canada.

I have already referred to an economy where there is more rationalization and specialization of industry. There are many areas in which this country could specialize and which are indigenous to Canada, areas into which we do not venture now because of commitments to certain multinational corporations. Let us look, for example, at the rail policy announced by the Minister of Transport (Mr. Lang). I see a strong indication that we will be phasing out our passenger trains in this country—which I know interests you, Mr. Speaker—and in their place purchasing more aircraft.

We know that the aircraft we will purchase in Canada will come from abroad and therefore provide jobs in other countries. But if we were to expand passenger service in Canada we could purchase cars in Canada, thus providing jobs for Canadians, because we have that technology here. LRC has a light, rapid and comfortable train developed in this country but it cannot sell its product to CPR or CNR. It will sell its product to Amtrack in the U.S. which has a train that travels at 140 miles an hour, a rapid and efficient service. That type of planning does not occur in Canada. We are here at the whim of multinational corporations. When they ask us to jump, we ask, "How high?" There is no planning here. We are just a reflection in the waters of the huge, multinational corporations. That will have to end if we are to develop a country that is worth living in in the years to come.

The other thing I wanted to mention in the debate today was the growing deficit in the trade pact with the U.S. under the autopact. As you know, the autopact was negotiated a number of years ago and worked to the advantage of Canadians for quite some time until recently when we started to accumulate an increasing deficit. Our trade in automobiles has gone from a surplus position in recent years to a very large deficit. While the autopact made a positive difference for a few years, that of course has taken a reversal from a deficit of over $700 million in 1965 to a deficit that has averaged much less, $200 million a year on average between 1965 and 1973. Our automotive jobs increased at a rate three times those in the U.S. during that period of time.

However, in recent years things have turned around from a small surplus of $204 million in 1970 to $230 million in 1971 and $75 million in 1972. Our auto trade balance has come back toward a more historical and normal position. In 1973 we had a deficit of $440 million in the auto trade; in 1974, a deficit of over $1,300 million; and for 1975 the full year's figures indicate a deficit in the range of $2.5 billion. So you can see in the auto trade, which is very important to a large part of this country, the trade position of Canada is changing very rapidly.

This is the big area of deficit so far as auto trade goes, although we also have a deficit on non-U.S. auto trade of some $500 million. Why is that? There is a tendency to blame this on our deteriorating competitive position. This, in turn, is usually blamed upon the workers, which is not the case. Let us take a closer look at the situation, for the case in the automobile industry is similar to that in a great number of industries in Canada. Let us consider vehicles and parts. I will deal with vehicles today. In vehicle assembly we have a small surplus in trade, but there is a commensurate price differential between Canada and the U.S. and this is usually blamed on our high-cost industry. If this were the case, we would expect that higher prices to make up for higher costs would still result in similar profit levels on both sides of the border. However, in fact, profits in Canada are currently about $100 per car higher than in the United States, and in 1974 the Big Three made 22 per cent of their profits in Canada on 11 per cent of North American car sales, an amount high enough over the last decade to pay for all their new investment in Canada. This is on top of normal profits which have been high in the auto industry in the last decade.

[Mr. Nystrom.]

● (1640)

As I have said, profits in this country are very, very high. Wages are at parity in Canada and the United States, and the higher pension costs in Canada are made up for by lower medical costs and lower supplementary unemployment benefit costs. It is not because of greater efficiency in the United States or economies of scale, because with the auto pact all production in North America is rationalized and efficient and there are economies of scale achieved on both sides of the border. Moreover, because of the high rate of new investment in vehicle assembly in Canada after 1965, our machinery is at least as efficient as that in the United States. Transportation costs are also about the same on both sides of the border. So the only conclusion we can come to is that the decision of the big car manufacturers is to wring more profits out of Canada.

When we consider the parts side of the argument, we see the same type of thing. That does not mean lack of productivity in Canadian workers, but it is the decision of the corporations to wring more profits out of Canadian industry. These are things we will have to stop if we are to develop our economy. We as Canadians collectively will have to make the decisions in this country in terms of planning and take the decision-making power away from the corporations in this country. The time has come to do that. The time has come when we should have that type of national development plan, when we the public should decide what are the important things to develop and not leave that process to the large corporations because when we leave it to them it is the ordinary Canadian who is injured.

We have an immense future in this country. We have an educated population. We have the resources, the institutions and the training which we need. We have a transportation system and the means to provide food. All we need now is a government which will put those things together into a policy which will process those resources and create jobs for Canadians. In many cases we have a large enough domestic market to keep going adequately in the manufacturing industry. It makes no sense at all to be importing many of the goods we are importing when we could be developing, processing and manufacturing these goods right here at home and providing jobs for Canadians.

These are things we will have to do. If we do not change our trade policy, and if we do not have an industrial

strategy in Canada, I really fear for our future. I fear for a country which will have to borrow over $100 billion for energy projects alone. If that occurs, in my opinion we will be nothing more than a satellite of the United States and a satellite of huge, multinational corporations. We will be supplying more and more raw material and becoming more hewers of wood and drawers of water. I do not think we have to go in that direction, because I think we can change this economy in a really meaningful way.

I hope the minister will speak today and tell us about some real changes in Canadian trade policy which will come about. I hope he will not just say the usual things; that there will be a few more trade missions; that we are trying to sell hard, smiling a lot and trying to obtain new markets. That type of thing is not good enough any longer. I want to see some really concrete changes in direction. Why cannot we say that we do not need the Mackenzie Valley pipeline at this time, that therefore we will not go ahead with it and that we will have a moratorium on making that decision? If we have to borrow money, we could use it in a much more positive way. We could use the resources of this country, plan our economy, process our raw materials and decentralize the industrial heartland of this country so that all Canadians can feel they are a greater part of it.

As a person from the prairies, I get sick and tired, year in and year out, seeing our food materials just being shipped out in an unprocessed state, or if processed in Canada, often being processed in Toronto. That type of thing could end if we had a government which was wedded to planning and redistribution of wealth amongst the regions and not wedded to the idea of pleasing the large, multinational corporations.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I am pleased to be able to enter this debate this afternoon on behalf of my colleague, the Minister of Industry, Trade and Commerce (Mr. Jamieson) who, as hon. members know, is drumming up business in Southeast Asia and trying to bring about some of the things which some hon. members here are anxious to see, that is, more export sales. However, as I listened to the debate this afternoon, I must say I had some rather peculiar sensations. First, who called the debate? This is an opposition day; the Tories called the debate. They have a new leader, and they are really concerned, they say, about export sales.

An hon. Member: There is no leader here.

Mr. Gillespie: There is no leader here. The lead-off speaker, the hon. member for York-Simcoe (Mr. Stevens), disappeared as soon as he gave his speech. The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) asked if he could speak second—

Some hon. Members: Oh, oh!

Mr. Paproski: Mr. Speaker, I should just like to bring to the attention of the House that the hon. member for York-Simcoe (Mr. Stevens) was delayed on a flight from Toronto or Hamilton this afternoon. He arrived here in time for the opposition motion. He is now preparing himself for committee meetings which will be held this evening, and I do not think that that kind of cheap shot from the minister—

Some hon. Members: Oh, oh!

Mr. Gillespie: Mr. Speaker, I can understand why the Tory members opposite might feel a little sensitive. They told the Canadian people, through their leadership convention, that they were going to come out swinging as a party. They were going to tell the people what they are for, not what they are against. They are so interested in telling us what they are for that they even leave the House. There are perhaps half a dozen in the House right now, and this is an opposition day.

Some hon. Members: Shame!

Mr. Gillespie: We cannot take the Tories seriously, and I doubt very much whether the Canadian people will be able to take them seriously.

Some hon. Members: Hear, hear!

Mr. Gillespie: I have a very high regard for the Conservative whip. I am not going to say anything more than this: I think we ought to check the list to see what committees are meeting this evening and find out whether the particular meeting he referred to is the kind of meeting which two of the hon. members who have spoken today are likely to attend. I leave it up to him, but we have our own ideas. I believe the committee involved is the Standing Committee on Privileges and Elections.

As I listened to the two Tory speakers, I wondered to myself, could those two hon. members be members of the same party? The hon. member for Qu'Appelle-Moose Mountain was suggesting that we should develop a national trading corporation; more particularly, a national buying corporation which would buy Chinese rice. He was very specific; he mentioned Chinese rice. He felt that the government of Canada should create a national institution which would go to China and buy rice. I should like to ask the hon. member and other hon. members in his party whether this is really the philosophy of the Conservative party today. Would they form a national corporation which would go to foreign countries to purchase their merchandise and then sell that merchandise in Canada in competition with the private sector? In other words, are the Tories entering the massive intervention game? Are they rejecting free enterprise on one side of their party and endorsing it on the other?

Some hon. Members: Hear, hear!

● (1650)

The Acting Speaker (Mr. Turner): The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) on a point of order.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, in defence of my position, I wonder if the Minister would give me his reaction to the organizations I mentioned—Favex and Excan—which were surely not Crown corporations, Liberal-style, but private corporations.

Mr. Gillespie: Mr. Speaker, I will be very pleased to answer any questions at the end of my remarks. When the hon. member was speaking I resisted the temptation to interrupt him, so I hope he can do the same with me.

If you are going to set up a national corporation which is going to purchase rice from China, you have to ask yourself whether you should not also ask that corporation to purchase textiles from China, and footwear and other products. I put it to you, once you go down that path just a little way, you are likely to find yourself edging out the private enterprise system that the hon. member and most of his colleagues support. It is a very dangerous path.

I would suggest that perhaps it might be more profitable to look at the private sector. Hon. members would find that there are close to 700 trading companies in Canada, most of them small and capable of growing. I would think that is where the emphasis should be placed, and I can tell hon. members that is where the Canadian government is placing its emphasis—behind the small, private sector traders. A number of measures have been introduced to support these trading companies in Canada and I hope to deal with them before the end of my remarks.

Another aspect of the remarks of the hon. member for Qu'Appelle-Moose Mountain was very interesting. I suppose it might be described as a statement—I do not want to overdo this—to some extent replete with contradictions. I think it was a sincere speech but there were built-in contradictions. I have already mentioned one. On the one hand he was assailing restrictions, and on the other he was intervening through the back door, through a government agency. There was a second straight contradiction in his speech. He said, "You must push"—that was the verb he used—"You must push them", referring to the Canadian private sector corporation. Later, talking about productivity, he used the phrase "You must not drive them". I ask the hon. member, what is the difference between pushing and driving?

I listened very carefully to the speech of the hon. member for York-Simcoe. Since he had so much experience on the hustings lately, I had expected him to give us a real tub-thumper of a speech. I would have thought he would have refined some of his views rather more precisely, but I was disappointed, as were other members in this House.

The hon. member for York-Simcoe has to make up his mind if he wants Canadian exports to increase. For example, why does he attack the Export Development Corporation for lending too much money? We have heard this in the House and we have heard it in committee. If he really wants to support Canadian exports, why does he not support the Canadian Export Development Corporation, a corporation built to sustain Canadian exports? Instead of trying to create the impression that very few Canadian companies are benefiting from Canadian Export Development Corporation financing, why does he not tell the Canadian people that hundreds or thousands of Canadian companies are benefiting from it?

He tries to create the impression that there are a few large contracts and the only beneficiaries of Export Development Corporation financing are a few large companies. Anybody who knows the situation knows that is patently untrue. I should like to give a couple of examples of some not untypical Export Development Corporation financing transactions in the last little while. The average number of Canadian companies supplying over $5,000 in goods and services would be in excess of 50 in most transactions; that is, 50 companies with over $5,000 in goods and services in a typical transaction.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

Take the recent Export Development Corporation loan on telecommunication equipment to Turkey. The number of Canadian companies supplying in excess of $5,000 worth of components was 87; not one big company, but 87 companies participating in that contract with a minimum value of $5,000 of goods and services. Eight companies supplied over $100,000 worth of components each, for an aggregate of $2.4 million. The largest subcontract amounted to $971,000. Clearly, there are a large number of beneficiaries of Export Development Corporation financing, and they are spread across the country.

Let us look at another example, the sale of railway passenger cars. The Export Development Corporation loan to Mexico was $51 million. Some 38 Canadian companies supplied in excess of $10,000 each in components, the four largest companies aggregating $9.3 million, with the largest individual company securing $4.2 million of the business. I think this makes it very clear that large contracts are not for the sole benefit of a few very large corporations but are spread through the whole industrial fabric of Canada.

If the hon. member for York-Simcoe and the Conservative party are serious about being able to compete internationally—and I thought this was the burden of the remarks of the hon. member—it would seem to me they would then endeavour to inform the Canadian people of the benefits of Canadian Export Development Corporation financing, not the reverse. I would have thought they would have voted for the government's wage and price control measures as did one of their members, a former minister of trade and commerce.

Mr. Paproski: Why don't you say why we did not?

Mr. Alexander: Why did we not?

Mr. Gillespie: I think it is of some significance that a former minister of trade and commerce, the hon. member for Prince Edward-Hastings (Mr. Hees) alone among members of the Tory party had the courage, the insight to see that a system of wage and price controls was essential in Canada.

Some hon. Members: Hear, hear!

Mr. Paproski: Tell it the way it is.

Mr. Alexander: Tell the whole story.

Mr. Gillespie: We had a problem of rising unit wage costs and we had to do something about it. We did something about it, and the only member who had the courage to say it had to be done was the hon. member for Prince Edward-Hastings. He understood the problem, but other members of his party had their blinkers on.

Mr. Alexander: Where were you in 1974?

Mr. Gillespie: Let me give some of the numbers that have been referred to. I understand the problem opposite.

• (1700)

Mr. Paproski: Not even the Minister of Finance (Mr. Macdonald) can stomach what the minister is saying. I see he is leaving.

Mr. Gillespie: Mr. Speaker, I understand the vulnerability of hon. members opposite. But they introduced the motion; we did not.

Mr. Alexander: Speak to it, then.

Mr. Paproski: The Minister of Finance has now left the House in obvious disgust.

Mr. Gillespie: The hon. member for York-Simcoe talked about our balance of payments difficulties and export difficulties. It might be useful, for the sake of those interested, to put some facts on record. There is confusion about whether our exports were up or down last year. It depends on whether you look at volume or value. Similarly, there is confusion about our imports, about whether volume or value was up or down and what the trade balance was. Allow me to put on record the situation for 1975. True, Canadian export volume went down some 8 per cent last year, but the value of exports rose by 2 per cent, and export prices by some 10 per cent. This must be considered in the perspective of the general decline in the volume of world trade last year, a rare event, as in most years world trade rises by more than 9 per cent in volume terms.

It is noteworthy that most major industrial countries fared worse in general economic activity than did Canada last year. The official OECD record shows that the volume of industrial activity dropped by close to 9 per cent in seven major OECD countries. This is twice the rate of decline which occurred in Canada in the index of industrial production. The point is that even if our volume was down, we were in good company. The conditions which caused our decline existed worldwide.

Mr. Alexander: How can the minister say that?

Mr. Gillespie: Well, if your customers are not economically healthy, if your customers do not have buying power and therefore cannot buy, you cannot expect them to buy your goods and you cannot expect them to buy other's goods. That happened in the world trading community last year.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Then how do you sell goods to China? They have no money.

Mr. Gillespie: Quite apart from the OECD countries, the United States, our biggest market, was in an economic slump. The slump in that market, which traditionally has taken between 65 per cent and 70 per cent of Canadian output, was particularly difficult. It is estimated that the volume of U.S. imports from all countries declined by 14 per cent in 1975. Yes, Mr. Speaker. The United States, our biggest market, imported about 14 per cent less, in terms of volume, in 1975. Surely those figures tell the story with which Canadian manufacturers had to contend.

Let me now deal with some of the factors affecting our trade. Some hon. members will say that these are short term but others will recognize them as being of a longer term nature. One of the major factors affecting Canada's merchandise trade in 1975 was a swing to a deficit in Canada's trade balance on crude petroleum as exports declined by $355 million. Despite that, despite the decline in commodity prices from previous peak levels affecting lumber, wheat, copper and zinc; despite major strikes affecting the delivery of wheat and newsprint in particular; despite the worst slump in industrial activity in the post-war period among our major trading partners; despite our major market for automobiles, the United States, being worse than it has been for many, many years; despite the slump in U.S. housing activity which in particular affected Canadian lumber prices and volume, Canadian exports in total went up in value by 2 per cent. It is important to see these facts in their proper perspective. One must acknowledge that our imports went up even more, by 9 per cent. But that reflects the comparative strength of the buying power of the Canadian public vis-à-vis the buying power of the public in our major markets.

Our merchandise trade position showed a definite improvement during the course of 1975. All of the $800 million merchandise trade deficit which Canada registered on a balance of payments basis occurred in the first eight months of the year. In the last four months of the calendar year 1975, Canada's merchandise trade was in virtual balance, despite work stoppages affecting particularly our pulp and paper industry. Exports of end products, inedible, fared particularly well in 1975, being up about 12 per cent in value. Industrial machinery exports were up 21 per cent last year, and exports of agricultural machinery by 36 per cent. In January, 1976, Canadian exports of end products, inedible, were up some 21 per cent over the level of exports in the same month in 1975. Over-all, the value of exports went up by about 5 per cent.

I think one ought to bear those figures in mind. Although there is not much satisfaction in knowing that our volume went down, the value of exports went up by about 2 per cent and we should be encouraged by the trend of the last four months. We have made a good start this year. The 11.9 per cent increase in the value of end products, inedible, in 1975 over 1974 is a source of encouragement. Putting it another way, our end products, inedible exports rose at a rate six times greater than the average percentage increase with respect to all Canadian exports in 1975. The net increase of Canadian exports in dollar terms in that regard was significant. The record is not all black, as the hon. member for York-Simcoe tried to paint it.

Mr. Baker (Grenville-Carleton): No, it's mostly red.

Mr. Gillespie: The hon. member for York-Simcoe referred to productivity. Certainly, we would have liked productivity in this country last year to be greater, but so would a lot of other countries have liked their productivity to be greater. Our critics opposite forget that you must look at productivity on a worldwide basis, on a country by country basis. It declines in a country when there is slack in the economy. Only when the economy is well out of a slump and bumping, as it were, upper levels of activity do productivity increases become significant. Again, an examination of the record will reveal that all is not black. Generally, Canada's productivity in manufacturing has been relatively favourable. During the decade 1964-1974, output per man-hour in Canadian manufacturing

increased by 3.7 per cent per year, compared with an increase of only 3.2 per cent in the United States. In other words, the over-all increase in Canadian productivity has been slightly greater than the increase in the United States, a country with whose productivity we compare our own.

In 1975, Canada's output per man-hour was virtually flat, while output in the United States registered a decline of nearly 1 per cent. We all hope that our economy will pick up steam as the economies of our customers pick up steam. I do not think we can expect our economy to move ahead more rapidly than the economies of other countries; we cannot expect exports to increase more rapidly than the economies of other countries. Productivity will be related to that pick-up, or increase, in business.

I listened carefully to the hon. member for York-Simcoe. I wanted to hear his suggestions as to measures the government might take to improve the productivity of Canadian industry. I found him wanting, just as I suspect his new leader may find him wanting. His leader said that he would tell the Canadian people what the Progressive Conservative party supports. He said they have to get across to the Canadian people that the Tory party is a party that stands for things. He said they must be prepared to tell the Canadian people what those things are. I will be listening carefully in the future for positive suggestions as to what the Tory party stands for, how productivity can be increased—specific, constructive measures and not just more give-aways.

● (1710)

In the few minutes I have left I thought it might be useful to give hon. members a very brief view of the investment situation as we see it at the present time. I can only put it in these terms. If Canadian business was not investing significantly, one could say that it lacked confidence in government policies or lacked confidence in the future. However, if you look at the figures, you will find that Canadian industry is investing. Canadian business spending on new plant and equipment last year rose by 18 per cent in value terms. That, according to national accounts, was in the first nine months of 1975. In the United States, investment in new plant and equipment scarcely rose at all in value terms in calendar year 1975 and little buoyancy is expected in this sector in 1976. Reflect on that, members opposite. If the United States was flat as far as investment was concerned last year, and Canadian investment increased by 18 per cent, surely that tells a story about the Canadian business climate.

In Canada, a survey conducted among 300 large corporations suggested that these firms plan an increase in outlay of 28 per cent in 1976. This is probably not representative of the sector as a whole. But it does seem that business capital spending activity will outperform that of the United States by a wide margin. If we look at the record, that is probably a lot better than the picture some members opposite wish to paint.

Finally, I wish to deal with one or two of the initiatives. There is not a large amount of time left to me, but I think that members opposite must admit that the government's initiative with respect to negotiating a contractual link with Europe is a very important initiative. If they agree, I would like to hear them say so. It would be very useful for the people of Canada to hear that the Tory party supports a successful contractual link. I would like to hear more from the Conservatives how they feel about sector negotiations in the MTN. If they believe, as we do, that sector negotiations are a very important initiative as far as Canada is concerned in this new round of trade talks, I wish they would say so. We would like to hear it. If the Conservatives feel as I do about the government's initiatives with respect to developing a new form of economic co-operation with Japan, one of our largest trading parties, they should say so. However, they seem to be mute when it comes to these matters. They are only interested, at least some of them, when there is an opposition day.

If they agree with us on the kinds of joint economic agreements we have negotiated with Iran, Mexico, Brazil, Cuba and others we are in the process of negotiating with respect to Middle East countries, why do they not say so? These are important initiatives.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. minister, but the time allotted to him has expired.

Some hon. Members: Carry on.

Mr. Deputy Speaker: There seems to be consent to allow the minister to complete his remarks. Is it agreed?

Some hon. Members: Agreed.

Mr. Gillespie: Mr. Speaker, I thank hon. members for their kindness and generosity. I will be concluding in a very few moments.

There are some important questions of Canadian trade policy which are too often ignored. The whole Latin American area is of massive potential as far as Canada is concerned. The InterAmerica Bank is a very important agency for developing trade in that area. The government, and I as former minister, spent a lot of time working on better trade relations in the Americas. The Prime Minister (Mr. Trudeau) was in Cuba, Venezuela and Mexico as recently as the last few weeks.

Mr. Alexander: Forget about it.

Mr. Gillespie: He was there primarily for trade purposes. This is a vast area. I hope hon. members encourage businessmen in their constituencies to go to Latin America to discover for themselves some of those great trade opportunities. I am somewhat amused by the different attitudes toward Cuba and the U.S.S.R. On the one hand we were told that we had not been aggressive in competition as far as the U.S.S.R. was concerned because we lost to the Americans an order that should have come to Canada. In the next breath it was suggested that we seem to be wasting our time trying to write a similar volume of business with Cuba, very much closer to our doorstep. It is time the Tories recognized that Cuba is a major and growing market for Canadian goods, and started to encourage Canadian businessmen to sell into that market. It is totally ridiculous to suggest that we do business with the U.S.S.R. and at the same time hold back from doing business with Cuba.

There are a number of success stories with respect to the program for export market development. It is worth noting that H. A. Simons, of Vancouver, with the assistance of the export development program landed a $50 million design contract for a $500 million pulp and paper complex in Poland last year, by far the single biggest pulp and paper complex in Europe. This was done by a Canadian company in Vancouver with the assistance of the program for export market development, a branch of the Department of Industry, Trade and Commerce. Another Vancouver company was successful in putting together a consortium for a sawmilling operation in Iran. Another western company, ATCO Industries of Alberta and Montreal—

Mr. Paproski: A good firm.

Mr. Gillespie: It is a very good firm. They obtained contracts for prefabricated structures in Saudi Arabia to a total value of over $30 million after having obtained earlier multimillion contracts in Libya. They will tell you they got that contract with assistance from the Canadian government. With Export Development Corporation financing and the kind of export market development assistance I have referred to, RCA Canada has been awarded a $32 million telecommunication contract in the Congo.

● (1720)

I have enjoyed taking part in this debate because, as hon. members will recognize, I am familiar with many of the initiatives which have been taken over the past year. I hope very much that members opposite, instead of trying to paint a picture of gloom, will get out and help us persuade the Canadian business community to devote more attention to the export market.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, the motion presented today is in my opinion most interesting. It reads as follows:

That this House deplores the lack of any effective government policies to deal with Canada's worsening trade performance and, especially, the government's failure to provide meaningful incentives to increase productivity—

To diversify the debate, I wish to discuss two points which particularly concern my area, the first being agriculture. I would also like to draw the attention of the government on that important poultry problem and blame it for doing nothing to protect our producers against the dumping of American poultry on our domestic markets. Consequently, the local market has reached saturation point and the producers are compelled to set quotas to such an extent that their business is unproductive. I happen to know the problem of a poultryman who has been fined for exceeding his production quota and told to reduce his production by half because the Quebec market has reached saturation point. And what is the cause? Certainly not the 17 producers in the Saguenay-Lac-Saint-Jean-Roberval area who have to produce at a loss in 1976 because they can use only 50 per cent of their facilities despite the fact they have the same maintenance costs, the same municipal taxes, the same insurance on buildings and the same depreciation to account for. No wonder there are so many bankruptcies in that sector in our area.

I am not asking why there are only 17 producers remaining, who vegetate and try to continue to work for a few more years. And specially let us not ask why in the last few years we have lost 50 per cent of our regional quotas, when cartels grab these quotas to control more securely the production of our area, perhaps with American funds. And what does the government do? It has passed legislation against combines and dumping but these laws remain dead letters. Our wholesalers continue to import American chicken and the Minister of Industry, Trade and Commerce (Mr. Jamieson) has nothing to say about it. Worse than that, Mr. Speaker, when we try to find out what is happening, we realize he does not know it himself.

As recently as last week, I asked him how many import permits he had granted for the import of American chicken, and I mentioned to him that last year, 25 million pounds of American chicken had been imported in Canada. At least that is the figure known today, besides what goes on under the counter.

The minister does not even know how much permits he has issued. I would even believe he does not know that our Canadian buyers do not need permits to import American poultry for the Quebec market. And as evidence of those allegations, I might quote the question I asked the Minister of Industry, Trade and Commerce on July 24, 1976, which was as follows:

Considering that the poultry producers' quotas will be greatly reduced during the next months, which will in turn reduce their revenue, can the minister tell the House whether his department issued licences or permits for the importation of poultry during 1975? If so, can the minister tell if he did so on the recommendation of the Minister of Agriculture?

And the minister gave me this answer:

Mr. Speaker, I do not have that information in front of me. I ask the hon. member to permit me to take the question as notice. I will give him the information as rapidly as I can.

Mr. Speaker, I am still waiting for that answer. But meanwhile the producers keep crying for help.

Yet I was sure the government had had its lesson when in February 1975 a group of producers, frustrated by the inertia of the government with respect to truckloads of American chicken, decided to take justice in their own hands. From then on we have been able to read in the press about the battle the producers were waging. I quote from a newspaper article dated February 22, 1975:

Chickens slaughtered in Saint-Damase by angry farmers.

Mr. Speaker, those farmers were from the province of Quebec.

The protesters were up in arms against the local coop buying its chickens from the United States while the producers who held membership in the coop had to comply with the imposition of quotas amounting to 64 per cent of their usual allotment.

Who was responsible for all that, Mr. Speaker? We read further:

The chickens were earmarked for the Saint-Damase coop which operates the local slaughterhouse. The height of irony is that the president of the coop is Mr. Roger Landry who happens to be the president of the Quebec Federation of Chicken Producers . . .

● (1730)

Mr. Speaker, it is astounding to read that. I continue to quote:

... and of the Canadian Council of Chicken Producers. Rumours has it that Mr. Landry is the future president of the chicken marketing agency to be created by Ottawa.

If that is not a conflict of interest, Mr. Speaker, I wonder when there is one. And I also wonder what has become of the anti-combine legislation. Later in the month of March, we could see the procession at the doors of another purchaser and other interested producers. Here is what we could read on March 11, 1975:

Chicken producers "rebelling". They lay siege at the doors of a U.S. poultry importer. They rise particularly against the Maxi Poultry Company which imports millions of pounds of poultry every year, while domestic producers can produce at only 70 per cent of their capacity ...

And further on, we read this:

The case of Maxi Poultry proves to what extent poultry producers in Quebec are at the mercy of the companies that make profits on their backs without, however, sharing those benefits with the consumers ...

While Quebec producers have to set themselves quotas, to avoid finding themselves stuck with surpluses they cannot sell, since January 1 Maxi Poultry imported 1,243,-435 pounds of poultry.

The president of that company said:

I import poultry to make up the shortage.

Can you imagine? "—to make up the shortage."! He has the gall to say further on, and I quote:

Quebec poultry producers are now experiencing difficulties because they are not interested in producing according to the demands of the marketplace, because they do not respect the quotas they set for themselves.

That, in any event, is the opinion expressed by Mr. Joe Freeman, ...

With the Freemans mixed up in this, Mr. Speaker, small wonder there are complications.

... general manager of Maxi Poultry at Ville des Laurentides, ...

Further on, he adds: As for me, I import only three million poultry a year. Another claims he imports two million. To my mind, Mr. Speaker, the poultry producers are right. I ask you: What are we to think of a monopoly at the production level, that also controls the meat and poultry market, the level of production and sale. That is what the small independent producers are up against at the present time. It is also the case of the one I spoke of a while ago. Are producers not being robbed glaringly? But that is what goes on. And that is what this government tolerates or encourages.

As time goes by fast, I shall take a few minutes to blame the government and the Minister of Agriculture (Mr. Whelan) in particular, with regard to dairy production. Last week, I welcomed some 60 dairy industrial milk producers of my riding of Roberval. Since then, several questions have been asked in the House to find out the minister's intentions concerning his dairy policy before April 1, 1976, so that the producers will know what to do about it. The answers have always been so evasive that dairy producers still wonder what is ahead of them. Indeed, on February 9, I asked the following question:

Since Quebec industrial milk producers and the management of industrial plants are seriously concerned about the government milk policy, which would result in lower income for producers, may I ask the minister, through his parliamentary secretary, whether he will recommend an adjustment to the milk policy to favour better returns for milk producers?

[Mr. Gauthier (Roberval).]

The answer was as follows:

... the minister, who is absent for the whole week and is to speak to several agricultural organizations in western Canada, has been examining this question for several weeks already and he will put to the House within a month a new dairy policy for 1976-77.

I did not get any answer other than this one. Then I wanted to know whether the minister could give us an idea of his policy before March 15. I have not yet received an answer.

On February 17, my colleague asked another question on this subject, and I quote:

Considering that for some months industrial milk producers have been suffering financial losses which in turn unbalance many producers' budgets, is the Minister of Agriculture willing to present the government's dairy policy around March 15, in order to give the producer's union enough time to indicate their views on such policy ...

The minister answered:

The program will be announced as soon as possible ... The dairy farmers of Canada know what they must do.

My colleague the hon. member for Bellechasse (Mr. Lambert) asked a supplementary and I quote:

As the minister just said to the House that he met with representatives of the dairy farmers, and as representatives of industrial milk producers made representations to some members of Parliament and as it would be in the interest of Canada, of industrial milk producers and of the dairy industry in general that such policy be known as soon as possible, can the minister make a little effort to present this policy before the last day of March?

And here is the answer:

... the main difficulty for industrial milk producers of Canada stems from the world surplus and from surplus production in Canada. We have not cut back subsidies, as some people say. We are still paying the same amount of money for the proper amount ...

I insist on this because when you make a statement, you have to weigh your words.

... for the proper amount of dairy products, including industrial milk. As I said, we will announce the program earlier, if we can.

He probably thinks that farmers are stupid. He says to us: "We have not reduced the price". They have not reduced the price but they did reduce the allowable volume. That is the same thing as reducing the price. Then he maintains very seriously before the House that he did not reduce the price, but we know that he reduced the allowable volume. Same difference! This is why I think that when he says he will allow $2.66 a hundredweight but on only 60 per cent of the quotas, while assistance to transport will be levied at 100 per cent, this is hypocrisy. If only farmers were told the truth: "Indeed, we made a reduction."

This is the motive of the discussions I had during my last meeting with a group of farmers who came to see me. They were saying: He must think we are stupid! However, I realize we must put the cards on the table and explain the situation.

During the meeting I was presented a brief containing a study of the dairy policy during 1975, including what they will get in 1976. We know what happened in 1975. In the chapter on the deterioration of the anticipated net income, it is said that, from April to November 1975, the producers did not receive the $11.02 which had been announced. This indeed proves that, because of the increase in the export price, they did not receive the $11.02 in 1975. Because of the

increased cost of exported milk powder, from 15 cents before April 1 to 45 cents and finally to 90 cents, the producers made pressures as a result of which the price went down to 65 cents and a fund was created to compensate for the cost of export.

Then on November 4, 1975 came the crushing news: the Minister of Agriculture (Mr. Whelan) announced the basis of the new dairy policy for 1976-77. The total amount provided in the budget to help the dairy industry is reduced from $275 million to $262 million. Warehousing and marketing costs become payable on that sum. If as expected these costs amount to $40 million in 1976-77, the amount of the subsidies as such will go down from $266 million in 1975-76 to $262 million 1976-77. As it is being estimated that the market will require 9.5 billion pounds of milk, it follows that the maximum subsidy will be $2.34 a hundredweight. It is no longer a grant of $2.66 to the producer as compared to the subsidy of $2.66 announced last year. This represents a decrease of 32 cents per hundredweight. It is said further down that the minister and the Canadian Dairy Commission, on November 4, announced that dairy imports will double from 5 to 10 per cent. I realize that the time alloted to me is almost over, but I want to bring to the government's attention these two serious problems for our region. They must be solved in a way that will benefit our poultry and industrial milk producers.

● (1740)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournement this evening are as follows: the hon. member for Esquimalt-Saanich (Mr. Munro)—Airports—Increased landing charges for light aircraft—Request for clarification of basis for increase; the hon. member for Carleton-Charlotte (Mr. McCain)—Inquiry of the Ministry—Space in Hull.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED GOVERNMENT FAILURE TO IMPROVE CANADA'S TRADING POSITION

The House resumed consideration of the motion of Mr. Stevens:

That this House deplores the lack of any effective government policies to deal with Canada's worsening trade performance and, especially, the government's failure to provide meaningful incentives to increase productivity and thereby strengthen the competitive export position of Canada's finished and manufactured products.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I should like to make a few comments on the remarks made by the Minister of Energy, Mines and Resources (Mr. Gillespie). I had rather expected a little more from him since he had previously been Minister of Industry, Trade and Commerce. However, he ran pretty well true to form. We watched him in his previous portfolio. Our main impression of him was that he was a sort of a nothing minister. He was very much a lightweight. Of course prior to that he had the portfolio of Science and Technology. That was also a mess. Now we see that portfolio being handled along with Public Works by a minister who, we understand, spends about four hours a week on it.

I was rather disappointed in the attitude of the minister when he spoke. He mentioned how many people are in the House. He was very critical of the hon. member for York-Simcoe (Mr. Stevens) for leaving the House after his speech. I might say for the information of the Minister that the other evening there was only one Liberal member of the committee present when we had a meeting of the Committee on Privileges and Elections. The chairman was there and the witness was there, but there was not one Liberal member. Before he starts taking cheap shots he had better look at his own club.

An hon. Member: Where is the cabinet tonight?

Mr. Kempling: The minister also referred to the anti-inflation legislation. I should like to read into the record here the comments of the Prime Minister (Mr. Trudeau) when he spoke in Sudbury in April, 1974, to the Ontario Liberals. The Prime Minister said that there is nothing wrong with our economy despite the doomsday sayers. He said that more Canadians have more money to spend than ever before and that inflation is not destroying our economy but is only having an unequal impact. He said we must fight it by throwing away the phony policy of price and wage controls. He said that prices are going up and therefore we need policies to increase supply. He said that we need to boost production, and if necessary legislate against profiteering. He said we must get after the big guys who are trying to make a fast buck. Then he said that "the government rejects the easy solution of wage and price controls and also the 90-day trial period suggested by the opposition who do not know what to do afterward."

He went on to conclude that controls do not stop inflation, that they did not stop inflation in the United States or in the United Kingdom, and that the rate of inflation doubled after the controls were introduced. In his final sentence he said that controls create changes, social injustice, and even violence. He said they are good for the big guy who can reclassify his position.

Mr. Alexander: When did they flip-flop?

Mr. Kempling: Oh yes! How phony can one be! Mr. Speaker, I do not want to put myself in the same class as the Minister of Energy, Mines and Resources. He has, as his colleague the Minister of Transport (Mr. Lang) says, tunnel vision. That is his major problem. We look at the trade situation and remember that he was the Minister of Industry, Trade and Commerce. We are in a mess. This

seems to be his role. He gets into a department and gets that department in a mess. Then he gets out. However, I wish to reserve judgment in respect of the present Minister of Industry, Trade and Commerce (Mr. Jamieson) because he has taken over a mess which he wants to straighten out.

Let us look at a small industry in the time I have left. I have conducted a study of the auto pact. I have spoken to some of the manufacturers of automobiles and also some of the parts manufacturers. It is a rather dismal scene. We went in the auto pact in 1964 because we had a tremendous trade deficit in that account. Today it is larger than it was in 1964. I shall not become involved in the statistical game because I know statistics can be made to read in different ways.

I know the market has increased and that 40,000 or 50,000 jobs have been created in the interim. That is very good. However, we have a serious problem facing us down the road. I do not see very much happening. When we had the previous minister before the committee we could program his answers or read them from government releases. He never conveyed any real concern at all. He just gave "nothing" answers in any of his replies to questions. But I am looking at the real facts.

Rockwell Standard, a major manufacturer which had a plant in Tilsbury, had closed down. It has moved back to the United States. Eaton Yale Towne had a plant in London. It closed down and has gone back to the United States. Just last month a plant in Windsor, MGM Brakes, closed down with the loss of 60 jobs. It has gone back to the United States.

Why have these companies suddenly gone back to the United States? I spoke to the president of one company who said that they just do not like the economic climate in Canada, that they do not like the attitude of the government or the taxation system. He said they do not have much confidence in the future, and therefore have chosen to move their plant back to the United States and to export into Canada. Of course this will make our balance of payment problem even worse.

We used to play games with the minister before the committee. We talked about the secondary industry base. What a lot of flip-flopping he did on that! When we would ask him what his program was in respect of a secondary industry base in Canada his standard reply was that he did not think it was possible to establish a secondary industry base in Canada. Later on he changed his position. He said they would take a sectoral approach and rationalize industry. He said they would look at it in sectors.

I recall vividly the release about the footwear industry in 1973 concerning how great the program would be, that the Canadian shoe industry would be straightened out, and so on. What do we have today? I said the other day that the whole shoe industry is right on its uppers. We have a high level of imports. Imports are rising every year and our domestic production is going down. This represents a significant amount of money.

● (1750)

The total wholesale value last year in the shoe industry was about $650 million. We produced $350 million worth domestically, and we imported $280 million worth. Clearly some shoe manufacturers will go out of business. People in the industry tell us that there is no way they can survive. What has happened to this great program that the former minister of industry, trade and commerce started? Where did it go wrong? Is it being up-graded? Why is something not being done about it?

[Mr. Kempling.]

I asked the Minister of Industry, Trade and Commerce whether he would look at voluntary quotas. He is on an Asian trip right now. We import the bulk of our footwear from Italy, Taiwan, South Korea, Spain, Poland, Hong Kong, Britain, and the U.S. On his trip he could take a look at voluntary or mandatory quotas to give a reasonable place to the footwear industry. He does not know whether he will go that far, but he does concede that tariffs alone may not be the solution. We started a program. I cannot tell you at this point how many millions of dollars we poured into the program, but it has been a failure and the record shows it.

The minister should get away from his philosophizing and get right down to men in the industry and talk to them. A man came to me on Saturday and related a typical situation. He has a business making clay pigeons. Total consumption is 35 million clay pigeons a year. This fellow produces 21 million and up, and the balance is produced by two other small manufacturers. Now there is a new company which has opened a plant in Canada to produce clay pigeons, but there is no market for them. These new people have been given government assistance to come into the country. The reason they were attracted here is that they will produce clay pigeons for the Olympics. The plant in Hamilton can produce all the clay pigeons that will be used in the Olympics in half a day, yet the government has attracted this foreign company here which will produce clay pigeons and take over the Canadian market even though we already have adequate production. The plant we have is working four days a week.

What are we going to do, and what can we do? I was down to the United States a few weeks ago, to Washington, and in spite of what the minister said about investment in plant and machinery in Canada and how he thought it would outstrip U.S. investment percentage-wise next year, I would be surprised if it does because they have an active industrial program down there primarily because they can get money at 5 per cent and 5½ per cent. They are operating on super prime down there, below the prime rate, at a ¼ per cent or a ½ per cent below the prime rate, while our people are paying 9 per ent and 9½ per cent. That is the major reason why we do not have investment going into our country. It is something that we have to deal with rather fast.

Triple A rated accounts in the U.S. can borrow money at 5 per cent. Why have their rates gone down? If you look at the amount of money that is deposited in savings accounts you see the reason. The same is happening here in Canada. We have an absolute record high of deposits in savings accounts in Canada. In other words the consumer is not spending his money, he is putting it in the bank because he has no confidence in the future. Consequently, banks have a large amount of money available to lend. The result in the U.S. was that they had to reduce the prime rate because money was not going out into the market place.

The other thing that has happened in the United States, and I am sure it is happening here as well, is that a lot of

the money is in the short-term money market. Some large borrowers in the U.S. found that they could operate on short-term notes and get better rates from doing that than they could from the banks. Finally the banks had to react to it, and this is why they have gone down to a much lower interest rate than they had previously. This will have to happen here.

Some comments were made about the Common Market and about whether we believe it is a good thing or not. It is silly to say that it is not a good thing. Certainly it is a good thing and we want a good connection with the Common Market. But what we are concerned about is that the Common Market nations want from us our iron ore, uranium, pulp, and oil. They are not talking about our manufactured products. We are looking at a deficit in manufactured products of $9 billion in trade. The minister is pround of his record. I say his record smells.

Some hon. Members: Hear, hear!

Mr. Kempling: What I want to seen happen with the Common Market is for us to get our manufactured products going back and forth. There was a conference of the electronic industry in Brussels. Canada was only an observer at that conference, and yet we have an electronic industry here.

The task which the government has in front of it is to create an atmosphere in which business and the consumer have confidence. The consumer will take his money out of the bank and spend it only if he has confidence that inflation will be contained, that we can prosper, that we will not be looking at high interest rates and a high level of inflation. I talk to business people all the time and they tell me they are putting off their planned expansion because they do not know what the future will bring. I think that if we could put some taxation incentives in place they could be very meaningful in working along with the anti-inflation program.

I would like to see us say to industry, "You can earn a lower rate of taxation if you do certain things such as increase your productivity, stabilize your pricing, maintain or increase your employment, and stabilize your labour situation by having no strikes. Then you can earn so many points, which means you will pay less in taxation and you will have greater profits." But in order to do that we must modify the profit section of the anti-inflation legislation. We could say the same thing to labour, "If your industry is more productive, if you have no strikes and a stable labour situation, then you also can earn a taxation credit." They would respond to that. I think it should be considered very seriously.

In travelling around as I do I talk to business people all the time. I find that our attitude abroad is always to look for special deals. We want special protection for Canada's special status.

Mr. Deputy Speaker: Order, please. May I suggest to the House that since the hon. member has only an extra two or three minutes perhaps we could allow him to complete his remarks, and start after the dinner recess with a new speaker.

● (1800)

Mr. Kempling: We have to be a little more venturesome, but I do not follow the minister's reasoning when he talks about going into Third World countries, forming joint ventures and exporting back into Canada. That will do nothing for our unemployment problem. He says we will get a piece of the action that way, but I do not think that is the real solution. I become concerned when I read the OECD reports and the prospects they forecast for us. It just does not look very encouraging at all. I think this is the time we have to move. We have to be venturesome and aggressive, but in order to do that we must have some changes in our taxation, and some incentives to move people and to get business to become more aggressive.

I want to make one final remark. The minister made reference to his great efforts in South America. Let me point out that we have had a great deficit with South America as far back as one can go. We have never been in a surplus position or even at a break-even point with regard to any of our trade with South America. For the minister to stand up and cite South America is an insult to this House. He should really be ashamed of that effort.

Mr. Deputy Speaker: Order, please. It being six o'clock I do now leave the chair until eight o'clock tonight.

At 6.04 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Andy Hogan (Cape Breton-East Richmond): Madam Speaker, the Minister of Industry, Trade and Commerce (Mr. Jamieson) acknowledged in a recent statement about his trip to Hong Kong and Indonesia that as well as the auto pact it is the so-called invisible exports that are an essential problem, and the amounts of capital we need and are going to need will mean large increases in interest payments abroad for the use of that money, as well as the dividends that will be returned to the United States and other countries as a result of the trade imbalance.

The following figures suggest the present seriousness of the situation and the threat that is possible if this trend is not reversed in the latter part of the seventies by improvements in our merchandise accounts and/or a devaluation of our monetary unit. In 1970, the combined outlay for interest and dividends amounted to $1,550 million. By 1974 it had gone to $2,296 million. From 1971 to 1974 the total outflow rose by over 35.1 per cent. This is a very serious situation and, as the minister noted, it could be extremely serious for our country in the future.

On the occasion of the debate this evening I want to raise the question of Canada's trade with the underdeveloped world. The most recent figures that I have seen suggest that we are trading only about 11 per cent of our total goods, as exports, with these countries. Further, I think it is obvious to everyone in the House that, while aid is necessary to these countries, we should have long ago, and must not wait any longer, proceeded to improve our trade relations with them both as to our exports and also to

allow them more favourable access to our internal markets under preferential treatment in order to improve their own economy and eventually become future customers for many of our goods.

We seem to have here, as in so many other of our economic policies or thrusts, fallen in with the thinking of the Americans as regards our trading relationships with the underdeveloped world. This type of thinking was espoused by Secretary of State Kissinger in his message of the special United Nations session on economic development in September, 1975. Mr. Kissinger's message to the special United Nations session on economic development in September, 1975, was, in my opinion, a profoundly small "c" conservative ideological document.

First of all Mr. Kissinger advanced a standard and utterly unrealistic American theory about how the developing countries will break out of the cycle of poverty. He said:

> We believe that economic development is in the first instance an internal process. Either societies create the conditions for saving and investment, for innovation and ingenuity, for enterprise and industry which ultimately lead to self-sustaining economic growth, or they do not.

Practically every word in that sentence is a free enterprise slogan—and I emphasize slogan. More important, Mr. Kissinger asserts a crucial United States premise: the developing countries will advance just as we and other capitalist powers did, because that is the only way.

Second, Mr. Kissinger posits harmony in the relationship between rich countries and poor, not conflict. He said that the advanced nations have an interest in the growth of markets and production in the developing world. In turn the developing countries have a stake in the markets, technological innovation, and capital investment of the industrialized countries. The world market, as it is now constituted, will facilitate economic development in the Third World, particularly if everyone stops criticizing that great instrument of progress, the multinational corporation.

In his United Nations speech Mr. Kissinger merely warmed over Ricardo's famous theory of "comparative advantage" which, as first stated in 1817, teaches that if every country specializes in what it does best, everyone will benefit. It is a good theory, if its assumption occasionally approximated the real world, for its givens are: competitive markets in the sense of price competition, an inability of capital to migrate, uniform international wage rates, and full employment. Although nothing like these conditions has obtained during the past century and a half, the theory has remained enormously popular because it helps to rationalize the wealth and power of the capitalist world.

● (2010)

Considering the institutional environment of Ricardo's day, and judged by Britain's priorities, Ricardo's theoretical and actual support for free trade seemed justified. In fact Britain used the free trade doctrine to its advantage during the peak of its power as a colonial empire in the latter half of the eighteenth century. Anybody who picks up the most recent edition of Professor Paul Samuelson's best selling *Fundamental Economics,* the text book that every beginning economic student becomes acquainted with at college, will find the basic argument for free trade summarized as follows:

[Mr. Hogan.]

> Unhampered trade promotes a mutually profitable international division of labour, greatly enhances the potential real national product of all countries, and makes possible higher standards of living all over the globe.

I want to digress for a few minutes on this matter of Canada's trade relations with the Third World in order to comment on the recent report of the Economic Council of Canada affirming its support for Canadian free trade. Needless to say it was following the long tradition of economic thought just summarized. Indeed the various regions of Canada which are geographically diverse are often cited as an example of a free trade area. We know that we, of the Atlantic region, have suffered in the past from this sort of thinking. Actually we have suffered in large part from tariff policies enacted as a part of national policy since 1879.

In making these comments on the Economic Council's affirmation of free trade as a policy option for Canada during the latter half of the 1970's I would not want to fall into the trap of advocating a blatant protectionist policy for major sectors or industries in the Canadian economy during what is obviously a changing international and global economic framework. No. To repeat, we well know in the Atlantic region that high, hidden subsidies, or tariff protection for central Canadian manufacturing, have meant, among other things, that we have had to pay, for generation upon generation, high prices for built-in inefficiencies, in other words for protective policies which have been of benefit to central Canada. The "infant" industry argument for protection has meant that many infants in Ontario and Quebec have never grown up.

In the present general agreements on trade and tariff I hope that the broad trust of Canada's position to the developed countries will be more favourable to the free exchange of goods and services; I do not think we should be in favour of protectionism. The business firms of this country should spend more time on initiating and promoting productivity and efficiency, and less time crying for protection.

Having said that, I believe that the Economic Council of Canada has pushed the free trade argument as a policy option for Canada during the latter half of the 1970's too far. Its modern extensions of Ricardo's 1817 model are based on facts which bear little resemblance to the existing international political and economic order. In addition to the assumptions previously noted, the free trade model requires small, powerless, and passive trading firms, unimpeded flows of labour between countries and within national boundaries, the free flow of capital, and non-managed flexible exchange rates. Only when these institutional conditions are met will the participants in international trade experience any improvement in their real standards of living.

I remind the House that today's world is made up of multinational corporations, trading blocs, tariffs and quotas, immigration and emigration restrictions, and control of capital flows. The realities of the Canadian industrial scene suggest that increased specialization would be important only in the manufacturing sector. It is obvious that our resource sector is already highly specialized and,

as far as I can see, those segments of service industries involved in international trade are also highly specialized. The process of specialization would require a higher degree of concentration in the manufacturing sector, which is already highly concentrated. Thus the free trade proposal, paradoxical though it seems, would conflict with the thrust of the proposed competition policy which this parliament will debate in 1976.

We should also consider the serious implications for the Foreign Investment Review Agency—but let us not deal with that at this time.

The process of manufacturing specialization in a branch plant economy such as Canada's will encounter an even more severe problem in the form of United States anti-trust laws since these laws apply to the subsidiaries of U.S. corporations operating in other countries, including our own. We are said to have a comparative advantage in high technology industries yet a cursory perusal of Canada's trade figures throws a great deal of doubt on that statement. These industries seem to be performing poorly in foreign markets, and are only just holding their own, if not slipping, in the domestic market.

We must also consider that a substantial decline in employment in the manufacturing sector, compensated by a sharp increase in the share of aggregate employment accounted for by the service sector, could result in a marked deterioration in the productivity potential of the economy. Indeed it is possible that the initial productivity bonus stemming from specialization as the free trade model predicts, could in reality be completely offset with a time lag involving a lower trend in growth and over-all productivity. The massive industrial restructuring which would be required to maximize the potential benefits of free trade could not, I believe, take place in as orderly a manner as seems to be assumed by the Economic Council of Canada. This could not happen, I submit, even if we consider a relatively long adjustment period. In my opinion the only way to debate seriously the option of free trade is in the realistic context that free trade should be introduced simultaneously by all developed countries. A unilateral move by Canada would be unthinkable.

I now return to the question of Canada and the developed world's trade with the underdeveloped world. This surely is one of the most important matters facing all countries of the world at this time, developed and underdeveloped.

Let us look at what has happened to Third World economies in recent times. The years 1970-73 were favourable to developing nations. High prices stimulated the export of primary commodities and earnings rose 25 per cent a year, while imports increased only 20 per cent. So both corporate and government income in these countries went up; but at the same time Third World incomes continued to fall behind those of the advanced world, as 60 per cent of developing countries failed to maintain their per capita rates of agricultural production.

Agricultural output declined, despite the "Green Revolution". New and greatly improved types of grain need more water, making these societies more dependent on the weather than ever. They also require more petroleum-based fertilizer, which rose in cost 13 per cent per year between 1967 and 1972. Meanwhile the advanced nations were furiously trying to increase their own food output, further squeezing the world fertilizer market. The OPEC oil price increases dealt the Third World's increasingly mechanized agriculture another cruel blow.

So even in good years Third World agricultural production did not prosper. But what about manufacture?

Here the figures show that there was hardly any change in the real relative position of the developing countries in the world market. In 1960 they had 6.7 per cent of the total world manufacturing output; in 1970 they were still at 6.7 per cent, and in 1973 they reached 6.8 per cent. Since then they have been disastrously hurt by the current recession—the New York *Times* recently put their combined payments deficit at $35 billion for 1975—and have already lost their 0.1 per cent increment.

But these figures, as bad as they are, make reality too pretty. The Third World's share of heavy manufactures is less than 5 per cent and is dominated by a few products—clothes, consumer electronics, shoes—and a few low-wage havens like Taiwan, South Korea, and Singapore. Moreover, even during those good years of 1971-1973 the rapid accumulation of reserves in the Third World did not offset their external debts. The former rose from $1.8 billion to $8.8 billion, the latter from $7.9 billion to $15.7 billion.

● (2020)

In sum, even under the best conditions there has been no relative improvement in the position of the Third World in the world agricultural or industrial markets. Those best of conditions seem to be now over for the foreseeable future; the pattern of absolute per capita decline will once again take over.

Why does reality thus violate the Ricardo-Kissinger theory? My answer relies heavily upon the work of some Third World economists, most notably Sami Amin. The theory has been called "the development of under-development." It holds that current forms of economic growth in the poor nations serve to intensify the structural conditions of their backwardness and, under present world market conditions, the Kissinger strategy will only institutionalize, not abolish, the inferior Third World position within the global economy. That could be a catastrophe for all of the free world.

Let us take one country, as an example, Gabon. Its per capita product today is roughly that of France in 1900, but its position clearly is different. France then possessed a developed capitalist infrastructure in which growth generated more growth, and it was competing in a not fully developed world market. Gabon, on the other hand, is a developed underdeveloped country in which the "spread effects" of internal growth are systematically and structurally limited, and whose fate is determined by an international division of labour that puts it at a disadvantage.

Let us look at some of the details. In the developing countries there is a vast labour reserve, either in the rural areas or the shanty towns, while we tourists hide in the hotels or on the beaches so we are not seen. This mass unemployment grew up under conditions of "urbanization without industrialization", which means that wages are low. In Europe, during the transition to capitalism, the artisans who were dispossessed by the new technologies became workers; in the Third World they became the

under-employed. As a result the developing countries now lack internal markets, even when they have enclaves of high technology and productivity. "In the colonial model, industrialization employs fewer workers than it ruins artisans," Amin notes. Consequently developing nations must have export economies, which lack the national integration and self-reinforcing tendency to growth characteristic of the advanced economies.

At the Pacific Science Conference this summer, Dr. Moises Behar gave a dramatic illustration of this point. In Guatemala, he reported, the Mayans had built a coherent civilization upon corn and beans supplemented by fruits, vegetables and meat from wild animals. They tilled patches on cleared forest land, and then moved on, allowing the forest to reconstitute itself. But when the Europeans came they cleared the ground to grow coffee and raise beef, thus destroying the old-self-sufficient economy. Kissinger and others would say a productive investment had been made, but it retarded the development of the entire society.

Today similar trends are reinforced by the movement of international capital which sends capital-intensive technology into the Third World, creating enclaves of modernity, disrupting the old order and opening the way, not to development, but to continued under-development and dependence on the advanced economies.

The Acting Speaker (Mrs. Morin): Order, please. I am sorry to interrupt the hon. member, but the time allotted to him has expired.

Mr. Hogan: I will only be another two minutes.

The Acting Speaker (Mrs. Morin): This can only be done with unanimous consent. Is it agreed?

Some hon. Members: Agreed.

Mr. Hogan: Of course in the future the Third World will increase its manufacturing capacity. The multinationals are locating more of their plants in the developing nations. One can even expect to see those countries take over what used to be the advanced industrial functions of the west. But this is happening only because new industries—computers, electronics, and the like—are becoming the leaders in the rich countries.

One can be sure that if the poorer countries are given the job of producing, say, more steel, then steel is of declining importance and profitability; more, the production of steel in the Third World will be organized in such a way that it will not lead to integrated development. This is not the result of a conspiracy by plutocrats; it is built into the very structure of both the world market and the various nations which comprise it. How does Canada and the U.S. and the developed world propose to deal with this grim reality?

I have to cut my speech because of the time factor. I want to stress that academic as this may sound in these hallowed halls, what is being discussed tonight is of extreme importance to generations of Canadians now growing up. We think we can live in a world where three quarters of the people control a small part of the resources. We think we can build a little wall around ourselves, the rich people, and say they are not going to get at us. We also have members opposite telling us not to worry about the sale of nuclear reactors, plutonium, and so on. They will need to have another thought with regard to the next generation.

The Minister of Industry, Trade and Commerce made a three-day visit in order to drum up trade in Hong Kong and Indonesia. If my geography is correct, there is a country called Viet Nam between these two places. It is badly in need of rebuilding. They require building materials of all sorts. During that trip, why did the minister and his trade officials not deal officially with the Vietnamese to open initial talks on prospective trade that would mutually benefit both countries? It is ironic that the Japanese are doing so much trade with the Vietnamese and yet our leaders did not even take time to discuss possible trade with them.

● (2030)

[*Translation*]

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Madam Speaker, I am happy to take part in his debate on the motion of the hon. member for York-Simcoe (Mr. Stevens).

But after listening to the distinguished members who spoke before me, I would like to make a comparison between a centralized economy and a decentralized economy. In a centralized economy, the state is the sole decision-making centre. It tells businesses what to produce and how to produce it. It sets the time required to meet objectives and determines the structure and also the margin of wages. The planified economy co-ordination mechanisms are achieved through a "public plan" which replaces the market. The consumer does not dictate production; businesses produce according to the public plan, not according to the demand.

I think that in Canada we believe in private enterprise. We believe mostly in a decentralize economy. The economy is regulated by the market and not by a central authority according to an objective or a plan.

The administration of resources in Canada is largely determined by market forces. But after listening this afternoon to hon. members of the opposition, the minister said that they seemed to hold diametrically opposed views. I could easily have believed this when seeing the hon. member for York-Simcoe, during the recent convention, join the group which is completely opposed to the principle and the philosophy that he has always advocated in the House, and join the leader of the official opposition (Mr. Clark) rather than Mr. Wagner. As the Minister of Energy, Mines and Resources (Mr. Gillespie) said this afternoon, they are truly divided, they are diametrically opposed. For my part, however, Madam Speaker, I believe that the hon. member for Qu'Appelle-Moose Mountain and the hon. member for York-Simcoe do not hold diametrically opposed views, but are unaware of the same things concerning the same subject.

Because they are unaware of the same things, their opinions did not have the same objective.

It is very difficult for the Canadian government to fix its priorities while meeting the numerous demands it receives. As soon as someone declares that the Latin American market is important and that the government should send there a trade mission as soon as possible, somebody else

who might even belong to the same party suggests that the Pacific countries are equally important and that it is as pressing to send a trade mission over there.

This reminds me of the comments which we have heard this afternoon about the Prime Minister's visit to Cuba. I am always slightly disappointed when I hear the opposition criticize our Prime Minister (Mr. Trudeau) for his visit to Cuba, a country which has started its own industrialization. That country needs the capital, the technical aid and the North American technology which are necessary to its development.

In consequence, I think canadian businessmen will be the first to benefit from this visit if they really want to export and exploit a market open to them.

But I think there is more to it than the simple commercial aspect of the question. For if Canada is to really stand up to its reputation of a country free from any prejudice, and respectuous of the political systems of other countries, without necessarily subscribing to them, this was all the more reason to take the opportunity to do it, although it is something we intend to forget when we consider the benefits of this visit to Cuba.

I would like to continue in the light of the benefits that we reaped from visits or exchanges. The Minister of Industry, Trade and Commerce (Mr. Jamieson) is now leading a Canadian delegation of several Canadian businessmen who will visit five very important countries with export potential. They will be visiting the South-East Asian countries, precisely to go and study with them to determine what is the potential for Canadian businessmen, industrialists, to go and tap that potential. In fact, in 1974, Canada exported for about $194 million worth to those five countries which are Malasia, Indonesia, Singapore, Thailand and the Philippines. That amount of $194 million of goods and services within those countries represented only 1 per cent of their total imports. Furthermore, if one considers Canadian imports from those countries, they reached $140 million, or 1 per cent of our total imports. That is one of the reasons—very important in my opinion—for those business tours to exchange ideas and techniques between Canada and those countries.

I would like now to assure hon. members that the department acquired an excellent knowledge of the Canadian industry. It compiled information on each industrial sector. In fact, if we want to open foreign market we must first know the technical potential of Canada. With that basic information and continuing to steer the export market we draft our policy for setting up an industrial strategy in the Department of Industry, Trade and Commerce.

And I would like deal with to a few aspects of that industrial strategy policy in the area of footwear, for example, to follow up on the question asked this afternoon by a member of the opposition. With respect to footwear an industrial strategy was announced by the department on November 20, 1975, following the preparation of a report that was tabled in the House on December 21, 1973, and the government following a study of various markets took position. Here are a few examples: leather shoes were exempted from the general preferential tariff; on four occasions, the Department of National Revenue realized that shoes from certain countries were underpriced and consequently it applied the appropriate correctives precisely to protect the Canadian shoe industry. On three occasions, manufacturers benefited from tariff reductions with respect to materials not available in Canada.

Several cases are currently under consideration. I want to point out that if at first that sectorial strategy applies only to the footwear, leather and tannery industries the Department of Industry, Trade and Commerce is now considering the possibility of extending the benefits not only to the footwear industry but also the rubber footwear subsector. And that step followed the suspension on August 28, 1975, of the general preferential tariff on rubber footwear and the restauration of the 20 per cent tariff of the most favoured nation. That is in answer to a question asked by an hon. member this afternoon.

About the clothing industry I think the hon. member for Halton-Wentworth (Mr. Kempling) outlined this afternoon our policy about the clothing industry. We are aware that small and average businesses today must sustain an increasingly sophisticated competition at the international fashion level and we wish to encourage Canadian businessmen to transfer part of their production abroad and to invade further the American and European markets to take advantage of more propitious conditions. It is by introducing new original styles, by specializing in good quality products for which prices are less decisive that some Canadian manufacturers have succeeded not only in keeping their position on the local market, but in being accepted on foreign markets.

● (2040)

The Canadian industry works on smaller production series than its American counterpart and thus it can be more flexible and adjust more readily to the constant changes and whims of fashion. I feel that the clothing industry will experience considerable expansion in the next few years. Indeed the Department of Industry, Trade and Commerce has authorized rather substantial investments to enable Canadian manufacturers to break onto the European market.

Now, I wish to add a few words concerning the points raised by the hon. member for Roberbal (Mr. Gauthier) who voiced his concern about cheese quotas which will be eventually announced. I think necessary to say a few words on the background of those imports. On June 6, 1975, we accepted an overall quota for the importation of 50 million pounds of cheese for the 1975 season.

In the light of the present production, if we consider for instance the dairy production, there is a tremendous increase in butter production—about 21 per cent—which contributed to boost milk powder stocks. Consider the following standards: four pounds of butter represent the production of eight pounds of milk powder from a hundredweight of fluid milk. Yet we now have in stock enormous quantities of milk powder as industrial milk processors preferred to process industrial milk powder into butter and step up powder milk production. But on the other hand, there is a decrease in cheese outpout in Canada. The Cheddar cheese production in Canada has slipped by about 6.8 per cent.

The decision concerning the import quota is to be determined after we have consulted farm organizations and

considered the present market in Canada and the objective of the department and the Agriculture Department which is to promote cheese consumption in Canada. We believe that importing massive quantities of cheese as we did last year prompted the chain stores to set up and organize cheese displays containing not only 25 or 30 but 100 different kinds of cheese.

We wish to assure dairy producers that the objective of this cheese importation policy will not be in competition with Cheddar cheese now being made in Canada. It will rather be the importation of European cheese from 140 different firms representing 200 kinds of cheese which are not necessarily made in Canada. And we want to give to dairy producers the assurance that no Cheddar cheese production increase will be registered this year. We will definitively protect this Canadian consumption market.

On the contrary, we wish to increase our export sales of Cheddar cheese to England, where we lost a market of 37 million pounds when they entered the European Economic Community. I would like to be specific in this regard. I wish to inform dairy producers that this program does not run counter to their objectives, but that we should rather work together towards a common end, namely to increase the cheese production in Canada with a larger variety and a quality that satisfies more the consumer's taste.

I wish to deal now with the matter raised by the hon. member about the import of broilers in Canada. I would refer the hon. member to the debate that took place on the notorious National Farm Products Marketing Council. If he had attended these debates a little longer, he would know how the mechanism or structure of a broiler production agency or council is set up. At present, two products, eggs and turkeys, are governed by a quota system and sold through a national marketing board.

When he speaks of import permits for broilers, no such permit has been issued and no legislation has been passed in this regard, because producers have refused to become members of the National Farm Products Marketing Council. Only two kinds of producers have agreed to it, that is turkey and egg producers. I would like to assure the hon. Member that no import permit for broilers was issued because producers themselves have refused to get involved in a nation-wide quota system. They preferred having regulations within the province and as a result no permit is required for imports.

If we were dealing with import of turkeys, I would like to answer that question. About 4 million pounds of turkey were imported, pursuant to section 11 to the GATT agreement which states that any country that limits its production must plan its quota. These 4 million pounds represent 2 per cent of the whole Canadian turkey production. That 2 per cent has been established after discussions we had when we created the National Farm Products Marketing Council, more specially 120 per cent of the import average in the last five years. The 4 million pounds, that is 2 per cent of the present Canadian consumption, constitute 120 per cent of the import average between 1969 and 1974 inclusive.

In concluding, Madam Speaker, I would like to mention a few points of interest to hon. members concerning departmental efforts, particularly information we issue to better inform Canadian businessmen and manufacturers. I have here samples of all pamphlets published by our department. We should try to keep businessmen and manufacturers better informed about our department's assistance, specially concerning initiative programs, productivity increase, financial assistance for industries which try to export their products, export development, promotion programs and management programs. I tried to promote those programs in my riding last year when I invited businessmen and manufacturers to discuss the possibilities of assistance from the Department of Industry, Trade and Commerce for Canadian businessmen who want to take advantage of opportunities that could open up in export trade.

I therefore call on all members to try and better inform our businessmen and manufacturers of the potential within the department in the form of information brochures of every kind. To conclude, I commend the hon. member for York-Simcoe (Mr. Stevens) for raising today this important question. I believe the statistics referred to by the Minister of Energy, Mines and Resources fully answered the question raised by the hon. member.

In my view, the challenge is much more in the nature of a long term one than a matter of a single day's discussion. Every year brings new challenges to our society, and governments must play a part in meeting them efficiently. In 1975, unemployment and inflation were the major economic problems in Canada as well as in a number of other countries around the world. And other problems of the same size will be faced during 1976. It must be recognized how complex and difficult those problems are. For example, in order to fight inflation, the federal government had had extensive consultations with many organizations. Today they are asking for very close cooperation from consumers, corporations, trade unions—

The Acting Speaker (Mrs. Morin): Order, please, I regret to interrupt the hon. member. If he is about to close his remarks, perhaps the House would consent to allow him a few more minutes, but his time has now expired. Does the House permit the hon. member to continue his remarks?

Some hon. Members: Agreed.

Mr. Lambert (Edmonton West): How many pages have you left to read?

Mr. Roy (Laval): I thank you, and in conclusion I would once more raise this challenge, a long term one rather than the subject of a single day's interest.

Therefore, consumers, entrepreneurs, labour unions and governments at all levels are requested to cooperate very closely in the anti-inflation program. Programs and policy must be developed with care if both current economic problems are to be solved.

We are all aware of the importance of our export trade, which accounts for more than 25 per cent of the Canadian dollar. These discussions provide the opportunity to exchange views and ideas for the common goal, which is the continued expansion of our exports sales.

● (2050)

[*English*]

The Acting Speaker (Mrs. Morin): The hon. member for Peel-Dufferin-Waterloo.

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Madam Speaker, I can understand your difficulty. My constituency is Wellington-Grey-Dufferin-Waterloo. I can understand your difficulty because it took me three years here to be able to remember that myself.

I will be quite brief this evening, but at the outset I want to extend my congratulations and appreciation to the hon. member for York-Simcoe (Mr. Stevens) for moving what I think is a very important motion which allows this House to debate the whole question of Canadian productivity and our balance of trade problem.

It is not a problem which deeply concerns people back home in our constituencies or one that we hear a great deal about in meetings in legion halls and church basements. However, it is a matter which affects every Canadian, whatever his age or occupation, on a very direct and constant basis every day. It is a matter of vital importance, and it is one which the government now is beginning to recognize will affect our future very greatly. Just this afternoon on the front page of the Toronto *Star* there was an article under the headline "Jamieson Calls Talks on Trade", the first part of which reads as follows:

> Trade Minister Donald Jamieson has called a meeting in Ottawa next month to discuss Canada's growing balance of payments deficit which he described as "one of the most acute problems" the country faces.
>
> The meeting will be attended by "40 or 50 of the most experienced people in the capital formation field," Jamieson said in a CBC interview in Hong Kong over the week end.
>
> Jamieson's remarks came as financiers were warning publicly that Canada's international credit rating is in danger.

This gives an illustration of the problem which the government recognizes, the problem that our economy is suffering from at the present time, and something desperately needs to be done.

We heard earlier this afternoon from the Minister of Energy, Mines and Resources (Mr. Gillespie) who, in his former incarnation, was the minister of industry, trade and commerce. He left for the present minister, who is currently out of the country, a great number of unsolved problems. They are problems which will be very serious indeed if the government continues to ignore them.

Many Canadians are aware of what problems are caused by poor productivity on the part of the country. There are three of them which stand out in particular. The first is that a high rate of inflation is often the result of a poor level of domestic productivity. Second, our international balance of trade is affected by our failure to increase our productivity. Third, as a consequence of that, ultimately we are faced with a problem of high unemployment. At the present time we are suffering from all three of these problems, and the indications are that particularly with respect to unemployment the problem may become much worse in the future.

What is the present situation? The following facts will illustrate some of the problems we face right now. First, at present Canada is suffering from a $5 billion balance of trade deficit. If we consider our trade deficit with respect to manufactured goods, the figure is twice that, some $10 billion, but it is offset by the fact that Canada is shipping vast quantities of raw materials abroad. While this does something to reduce our international trade deficit, it means that we export jobs to other countries which would be kept here in Canada if we were to process our raw materials here, as opposed to shipping them abroad and buying them back at higher prices in the manufactured form.

Second, Canada is suffering at present from an endangered credit rating. Over the next few years it will be extremely important that we borrow money abroad to finance new ventures which will be very necessary in the future.

Saturday's Toronto *Star* featured a large article which outlined some of the problems caused by the loss of confidence in Canada's credit rating at the present time. The *Star* interviewed a banker-economist named Hans Mast, who is based in Zurich, Switzerland. He explained his feelings about Canada's credit rating at the present time. What Mr. Mast had to say is as follows: "Canada is no longer on our list of favoured countries for long term investment."

If this problem continues to get worse, Canadians will be faced in the future with great difficulty in attracting capital from abroad which it will need for expansion. It is very important to us that we be able to get this money if we are to keep Canadians at work and stimulate growth in our economy. This is why it is extremely important that we keep our credit rating at a very high level.

Third, in 1975 Canada experienced a year of negative per capita growth in our gross national product. That is a very serious situation, and internationally we stand up very poorly against other nations.

Fourth, Canada's productivity increased by an average of just over 2 per cent per year in the years between 1968 and 1973.

Fifth, real growth for 1976 is projected by the Minister of Finance (Mr. Macdonald) to be a figure of only 2 per cent, if we are able to make that.

Sixth, the Economic Council of Canada projections which have been done show that Canada will continue to be near the bottom of the list of industrialized countries registering economic growth in the next few years. This is a very serious situation which the United States shares; this is going to mean that North American manufactured goods will be priced out of world markets, and the effects will be felt on the domestic market.

The seventh problem we are faced with at present is that the sort of growth which is taking place in our gross national product is largely due to the growth in our labour force. It is not due to increasing productivity. Dian Cohen, the excellent freelance economist who writes in the Toronto *Star* and a number of other newspapers across Canada, pointed out in a recent column that between 1950 and 1955 some 70 per cent of the gross national product growth came as a result of our being a more efficient nation, and our incomes rose accordingly. Seventy cents of every dollar in the growth of our gross national product occurred from 1950 to 1955. At the present time, however, there are great changes being made.

Between 1973 and 1975 the situation was very different. According to Ms. Cohen the situation is that at present increases in productivity have been falling and now contribute only 40 per cent to real gross national product growth. This is an extremely serious problem, and it is one which we must be concerned about over the next few years.

The obvious question, once we can recognize the importance of the problem and that something must be done, is: what is it that governments can do? Obviously the most important thing the federal government must do is begin to show some leadership in our economy.

I have been interested to follow the trend of government growth in Canada over the last few years. Over the past while the trend has been toward increasing government domination of our gross national product. At present about 40 per cent of our gross national product is controlled by government of one level or another, and over the New Year's break Canadians were treated to the spectale of the Prime Minister (Mr. Trudeau) condemning the free market system, saying that free entreprise has failed in Canada, arguing that the government had to get yet bigger, and saying that Canadians will just have to live with the consequences of that.

I say to the Prime Minister that the problems we are faced with today, the problems of high inflation and high unemployment, are not the fault of business or labour; they are the fault of the government. This government in particular has shown very little restraint in its activities, and I do not think it serves Canadians well when it seeks to pass the buck and to blame Canadians for the problems created by the government itself.

● (2100)

In recent years when we have faced problems of unemployment it has been the trend to expect the government to try to create new jobs at the government level. When this happens it fuels the growth of government, increases the bureaucracy, stifles individual initiative, and it means that the percentage of the gross national product taken by the government increases.

By its nature government is unproductive and extremely inefficient. If real growth is to take place it will not happen in the public sector but in the private sector. The whole trend of government policy must be to get people back to work but, more important, to get them back to work in the private sector in meaningful jobs at decent salaries, with opportunities for advancement. Instead the government has taken the pessimistic approach to the problems of the economy. Its policy is to discourage the growth of new jobs in the private sector.

In an attempt to stimulate productivity in the private sector the government could start by removing some of the disincentives. I can give three examples of this from my own constituency which illustrate in part some of the problems with government policies.

The hon. member who spoke before me mentioned the problem of the government's dairy policy. In my constituency, which I think is fairly typical of rural constituencies across Canada, a large number of dairy farmers in recent years invested amounts as high as $100,000 in some cases to expand their dairy herds and increase their production of milk. This was done at the insistence of government which argued that Canadian producers must produce more. Incentives were given by federal and provincial governments to encourage producers and now those in my area, having acted in good faith and increased their debts, find that their subsidy cheques for industrial milk have been slashed. As well, the government is considering vastly increasing the amount of cheese imported from abroad. This will only exacerbate the surplus of milk and milk products in Canada today.

I have written and made representations to the Minister of Agriculture (Mr. Whelan) and the Minister of Industry, Trade and Commerce (Mr. Jamieson), and stressed my concern about the effect the government's actions are having upon the livelihood of many dairy producers. I understand the ministers are looking into the matter to determine whether the increase in imports can be curtailed.

I do not think that is good enough, however. If the government is to show good faith to dairy producers it has an obligation to cut back the quota of cheese allowed into this country. Our dairy farmers should have some assurance that it is worth while to continue investing and working, and this is one area where the government could act.

The rationale given by the hon. member who spoke before me, and by the Minister of Industry, Trade and Commerce, is that Canadians cannot produce a sufficient variety of specialty cheeses to meet Canadian needs. Madam Speaker, if we are ever to develop an indigenous Canadian cheese industry which is healthy and viable we must give our cheese producers the protection we give manufacturers in other sectors of the economy.

In my constituency at Elmira, Ontario, there is an outlet which sells mostly Canadian cheese, and I am amazed at the variety offered. If Canadian dairy farmers were given incentives to produce, and the Canadian cheese industry were given the opportunity to fill the need in the market, new jobs would be created, productivity increased, and the economy strengthened.

Another example of where the government attitude is a disincentive occurred in my constituency last fall. A constitutent manufactures assembling kits for sale to domestic retailers and for export. Sales were so good and were increasing so fast that, having paid salaries and overhead, he had difficulty paying the federal sales tax at the beginning of each month. The area he comes from does not have a great deal of industry and the jobs he provided were desperately needed. His accounts receivable ran 50 days and he was having difficulty making ends meet, especially having to pay the federal sales tax at the beginning of the month. He felt his highest priority was to pay his workers. He proposed to the government that he be allowed to pay the sales tax later in the month, offered a penalty for late payment, and a guarantee of payment before the month's end.

The government's response was startling. One day when he was absent officials from the Department of National Revenue arrived and insisted that his wife—who did not have authority to sign cheques on behalf of the business—sign a cheque immediately for the amount of the sales tax for that month. They threatened to seize his accounts

receivable unless the sales tax were paid immediately. This manufacturer was keeping people off the unemployment insurance rolls, Madam Speaker. He was paying federal sales tax and generating wealth in this country which would benefit all Canadians. The government's attitude was not one of encouragement but rather to smother him with so much with red tape that he was threatened with the possibility of having to go out of business.

I am pleased to report that when the matter was brought to the attention of the Minister of National Revenue (Mr. Cullen) he was responsive. An arrangement has been worked out so that payment can be made at a later date. But it should not have been necessary for this man to come to his member of parliament. He should never have run into difficulty with the bureaucrats who just put impediment after impediment in his path.

The third area which affects my constituents, although the plant is not in my constituency, is the situation at the consumer appliances division of Westinghouse Canada. Westinghouse Canada is attempting to sell its operation to another company and there are two bids, one from White Consolidated Industries which is foreign controlled, and the other from G.S.W. Ltd. A number of my constituents work at the Orangeville plant which employs about 200 people and I know the hon. member for Hamilton West (Mr. Alexander) has raised the matter of the Hamilton plant and the jobs there. The workers at the Orangeville plant are not unionized and are very concerned about their future.

The sale of Westinghouse Canada to White Consolidated Industries was blocked by the Foreign Investment Review Agency and I am not quarrelling with that. What bothers me is that the decision on whether the sale goes through has been delayed so long by the government. We expected a decision last week, but now the Minister of Industry, Trade and Commerce is away on a two-week trip to the Far East so the workers still have no assurance about their future. The effect on their morale is bad; they are concerned about their jobs, and they have a right to be concerned. For this reason I recently wrote to the minister expressing concern and saying that an early answer to this problem must be found. The paramount concern must be the protection of jobs of Canadian workers, and guarantees must be given. I know that GSW Ltd. has offered guarantees in its Hamilton and Orangeville plants, but I am not aware of guarantees given by White Consolidated Industries. That is of concern.

● (2110)

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt to hon. member, whose time has expired.

Some hon. Members: Carry on.

The Acting Speaker (Mrs. Morin): Does the House agree unanimously?

Some hon. Members: Agreed.

An hon. Member: For not more than one hour.

Productivity and Trade

Mr. Beatty: Madam Speaker, my colleague says that I should speak for not more than one hour. I hope to be a good deal shorter than that.

I am concerned about the sale of Westinghouse Canada. At present the consumer appliance industry in Canada is divided into six roughly equal parts. The company which gains control of Westinghouse Canada will have dominance in the Canadian market, or will dominate the consumer appliance market. This is a matter for concern. The government's previous approach to an industrial strategy for Canada has been to take the sector by sector approach. It favoured control being exercised by a Canadian corporation in each sector. The Minister of Industry, Trade and Commerce should look closely at this matter. Of vital importance is the question of the productivity of Canadians, and decisions which could affect our ability to compete abroad. I am not saying that the minister should decide one way or another in this regard. I merely say that one criterion governing his actions should be the protection of jobs of affected workers and the need for Canadian dominance in this important sector.

As members of this House know, the government spends large amounts on big corporations. The hon. member for York-Simcoe mentioned the Export Development Corporation, which makes available hundreds of millions of dollars to large industries. I am concerned about the small businessman. We have paid too little attention to our small businessmen and farmers. They are the most productive. The wolf is never far from their door, and they must be productive in order to make ends meet. The government should pay some attention to this area, instead of making money available merely to big business. Compared to the big businessman, the small businessman is smothered in red tape, swamped by high taxes and must compete with the Unemployment Insurance Commission, which is in a dreadful mess.

Unlike the Prime Minister I am a strong advocate of the free market system. It is time to lift the burden from the back of the small businessman. It is time big business carried a share of the load. The government's priorities have been exactly the reverse. If the free market system is dead in Canada, as the Prime Minister suggests, it is dead largely because of government intervention, which protects large businesses but does little for small businesses.

The government should adjust the tax system to provide incentives for productivity. Under the present wage and price program workers may win up to 2 per cent for productivity increases. Many economists feel this figure is too low and that stronger emphasis should be given to encouraging increased worker productivity. I agree. The government should act in this area. I therefore hope the government will re-assess part of its controls program and allow greater incentives for productivity. For example, why not change the tax structure in such a way as to encourage workers to invest in their company? I find that concept exciting. It would give a worker a stake in his job, be an incentive to greater productivity, and give him some measure of security for the future. If our system needs improving the government should encourage incentives for industry, and encourage workers to invest in their firms.

Present day conditions are critical. If the government takes strong action to restore the health of the economy we

can prosper in Canada. If it does not, I predict greater inflation, spiralling unemployment, and a continuing decline in our balance of payments. This is not the time to mortgage our future.

The time has come for the administration to show leadership. The Canadian people are asking for it and the economy needs it. It remains to be seen if the government will supply it.

Mr. Bob Brisco (Kootenay West): Madam Speaker, I confess to being relieved at being recognized. Earlier the minister referred to absentee members on my side. Our Whip said that some members are in committee, others in their offices, and still others preparing for committee meetings tonight. The minister seemed to imply that committee meetings this evening had no bearing on today's debate. I assume that members on the government side attend only one committee at a time, whereas members on my side serve on three or four.

Some hon. Members: Hear, hear!

Mr. Brisco: As the minister pointed the finger at us and charged us with absenteeism may I point out, for the record, that the attendance record of British Columbia members on both sides is good. But we are severely affected by weather conditions. Indeed I had some difficulty coming here today. I notice that the hon. member for Coast Chilcotin (Mr. Pearsall) is absent, as is the hon. member for Comox-Alberni (Mr. Anderson), no doubt because of inclement weather. Having set the record straight on attendance in this House, I shall proceed with the subject to be debated.

I am not an economist and cannot speak with the skill of an economist. All the same to my way of thinking, the motion, especially the second half, is of great importance. It speaks of the government's failure to provide meaningful incentives to increase productivity and thereby strengthen the competitive export position of Canada's finished and manufactured products. I agree.

Our economic endeavours often involve various ministries of the government. For instance, anyone who wants to establish a mine in the north, in the Arctic, must seek the co-operation of the Minister of Finance (Mr. Macdonald), the Minister of the Environment (Mr. Marchand), the Minister of National Revenue (Mr. Cullen), the Minister of Transport (Mr. Lang), the Minister of Energy, Mines and Resources (Mr. Gillespie), the minister responsible for industrial development, and the minister responsible for DREE. Is it any wonder that we have difficulty establishing industry, whether primary or secondary, whether raw materials to be shipped to Canada or from Canada, and whether it is raw materials to be refined or processed here or elsewhere? Is it any wonder we have difficulty getting the show on the road with the very complex bureaucracy the government has established and put in the way of the entrepreneurs?

● (2120)

I wish to give one specific example. How well I remember an address made by the government House leader in the Senate, in Trail in my constituency. He said to the gathered throng, "Give me one example of a Conservative government's efforts toward development that has done anything for this riding. Give me one." Being somewhat of a knowledgeable fellow in that regard, I put up my hand. The government House leader in the Senate did not wish to recognize my interest. He ignored my attempt to be recognized.

That one example is worth mentioning because on it hinges a great deal of the development in this country. That was a program introduced by the last Conservative Prime Minister of Canada, the program Roads to Resources. A classic example of that is the Pine Point development. The government has been very concerned about the Pine Point development. It has felt all along that it has been a rip-off. It never even bothered to equate the cost of that project with the taxes that have been generated in the work force or with the dollars that have flowed into the treasury as a result of the raw materials. It did not even realize that the ore from Pine Point eventually ends up in the smelter in Trail. It has not bothered to look at a map.

That is an example of ignorance. It is not lack of attention, but pure and simple ignorance. Is it any wonder that any entrepreneur has difficulty establishing an industry or business in this nation? Obviously government ministers don't even know where Pine Point is. They would not even know there is a railway there except they thought it cost this nation a hell of a lot of money. They have not thought about how that money has been returned a hundredfold. They have not figured out that it has provided thousands of jobs. There problems that members of the government are faced with have been introduced by themselves because of the weakness in their own system.

Let us get into another area with reference to productivity in our foreign trade that is of concern. It has been proposed time and again, and we have seen some form of response from the government, although nothing very concrete, that tax incentives be provided so that Canadians can invest in their own industries with a reasonable return.

The sad fact is that there are many cases where it is of greater advantage to Canadians to invest in the United States and in its products and stocks than in our own Canadian firms. What a shame! What a sad reflection on the industry and the incentive of Canadians that the government is so insensitive to that particular need. How much this country could move ahead if the government simply recognized the need, and in fact the desire of Canadians to invest in their own country! That very desire is stifled and denied by the government. Then again, what else is new?

Look at the problems we have with inflation. Look what inflation has done to the costs of production. Look what it has done to the costs of labour. The government says it is the fault of labour and management. The government does not say whose fault it really is with any truthfulness. It knows where the fault lies. It proved that to Canadians when it did its flip-flop of a few weeks ago.

Some hon. Members: Hear, hear!

Mr. Brisco: This lack of action on the part of the government has driven up the costs of production. How does the government think the public feels when they can go across

the line to the United States and buy Canadian made products for less than they can buy them in their own backyard?

There is one avenue that has not been examined. I mentioned the fact that there was a lack of co-ordination within various departments of government. One is the DREE program. I would like to ask how often does the Minister of Industry, Trade and Commerce consult with his counterpart cabinet minister, the minister responsible for the program called DREE? How often does he see him?

Mr. Paproski: He hasn't been in the House for three weeks.

Mr. Brisco: Of course the minister responsible for DREE has not been in the House for the past three weeks.

Some hon. Members: Oh, oh!

Mr. Cullen: Where did Joe go?

Mr. Brisco: I want the Minister of National Revenue (Mr. Cullen) to know that God is watching.

Mr. MacFarlane: When did you arrive—ten o'clock?

Mr. Brisco: What a band of restless natives.

Some hon. Members: Hear, hear!

Mr. Brisco: To continue with what I have to say, at least on this side of the House it is worthy of some merit even if the hon. member for Hamilton Mountain (Mr. MacFarlane) has not recognized that fact. It takes him a while. He is a slow learner.

To continue, let me give one example of government co-operation. It is an example of how the Department of Industry, Trade and Commerce works with DREE. There is a firm called Swan Valley Foods located in Creston. They developed a very innovative, challenging new system of processing certain foods, particularly potatoes and other vegetables. I had the opportunity of taking one of their senior officials to the Department of Industry, Trade and Commerce to open up new avenues and roads of marketing their products overseas. I wonder whether the Department of Regional Economic Expansion would have suggested to this gentleman, this firm, or any other firm that they sponsor and assist with our tax dollars, to contact the Department of Industry, Trade and Commerce.

Just this week we received a release from the Department of Regional Economic Expansion. It makes reference to the fact that they have assisted 13 firms in Quebec. One firm manufactures fibre glass awnings and other metal products. Two firms manufacture kitchen and bathroom cupboards. Another manufactures door frames, and another ultra-fine knitted fabrics. Does anyone in the Department of Industry, Trade and Commerce know about these firms? If they do, quite frankly I would be very surprised.

I must say, however, that I was very pleased with the response we received in the office of the Minister of Industry, Trade and Commerce. His deputy was most cordial and helpful, but we had to seek him out. Surely the government does not think that every small entrepreneur has the imagination or perhaps knowledge of the government structure to know where to go in order to best market his products.

There is another firm in Kootenay West that manufactures a product for overseas markets. What has happened to this firm? It is now in a position to expand. It is in a position to produce a new product which is in heavy demand on the overseas market. What does DREE do? It shuts off the incentive grants for that riding. It cancelled the application by that firm which went in three months before the December 31 deadline. They had every opportunity to employ people, provide jobs, create tax dollars and bring money into this country, but what did DREE do? DREE preferred to cut them off at the pass.

I wish to read into the record the sad commentary of the Department of Regional Economic Expansion and the fact that that department has nothing to do with the Department of Industry, Trade and Commerce. It is about time the two got together. This concerned constituent, this concerned entrepreneur has written as follows:

● (2130)

As I mentioned to you, the expiry of DREE designation for this region has been a serious blow to my company as well as to the area. I know you will find the following information to be of interest and I hope you can encourage the proper authorities to give the situation the consideration it deserves.

Right on! What is my responsibility, or the responsibility of any member of this House? It is to write to the minister in charge and plead the case. This I did six weeks ago. Mr. Speaker, I have not even received a reply in the form of a cursory letter acknowledging receipt of mine. That is an example of the co-operation we get from across the way.

Some hon. Members: Shame!

Mr. Brisco: The gentleman goes on to say:

We have developed, at a direct cost in the order of $140,000, a utility-size gasoline-powered chain saw. Our hope to obtain DREE help to commit it to production was delayed by financial problems. Toward the end of 1975, as a result of corporate reorganization and a general improvement in the chain saw market, we were able to plan a means to produce the saw here, but this would clearly be conditional on a DREE grant of an appropriate amount.

In discussion with DREE officials it was realized that our application would be "tight" in terms of processing time, but optimism was expressed that it could be completed, and if not, that its status might continue as being "in process".

We learned this week that our application expired with the end of the region's designation.

I must observe that on the basis of the previously mentioned optimism we invested $4,875 in the cost of preparing our application and $12,700 in related capital studies costs. I am not suggesting we were misled; indeed, we expect our DREE contacts are as disappointed as we. However, those sums are obviously serious expenditures for a small company and they weren't committed lightly.

The letter continues:

Early in 1975, at the height of our financial problem, we had to investigate the sale of our new product design. It was evident that it could likely be purchased for manufacture in Europe. With this new turn of events, if foreseeably we cannot find other means to finance it here, and we have certainly tried, we may need to recover our money by that route.

Let me underline one of the phrases in that last paragraph—"it was evident that it could likely be purchased for manufacture in Europe." In this new turn of events it

was foreseeable, if they could not find other means to finance developments here, that they might have to recover their money in that way. In other words, the company would be forced to move to Europe to manufacture a product which could and should be manufactured right here.

What were the benefits to Canada, present and to come, which might be anticipated? The communication which I received goes on as follows:

Jobs

53 to start, rising to 93 in three years. These would be unskilled people, trained in Quadra, mostly under 25 years, and drawn from area unemployed.

Wages in the area

$4 million over three years.

Exports (excluding the imported content)

$11 million over three years.

Sales

$14 million over three years.

"Lost" expenditure on goods, services in Canada $13 million.

This gentlemen goes on to say:

We were created by DREE and have qualified for two DREE grants totalling $256,000 of which $148,000 has been received to date. Consider what Canada has gained from this investment in 39 months of our operation:

Jobs

120 presently employed.

Payroll

$4 million, of which about $980,000 was remitted to the Receiver General.

Exports (excluding the imported content)

More than $10 million.

Domestic purchases

More than $14 million.

Pay attention, you Liberals on the other side who are not listening: this is what the government's investment through DREE produced in 39 months of operation.

Those concerned may be interested to know as well that Quadra is 45 per cent owned, with shared control, by 222 local people—businessmen, professional people, clerks, secretaries and so on. These are people within my own community, within my own riding, who had the fortitude and, in many cases, the few pension bucks to pay out of their own pockets in order to start a new industry with the assistance of the DREE program. But there is a problem. DREE and the Minister of Industry, Trade and Commerce had not been working together.

I would venture to say that if the Minister of Industry, Trade and Commerce had an opportunity to read what I have said tonight he would say to the minister responsible for economic development, "Don't you think it makes good common sense to fund that industry and generate more jobs and more dollars for Canada?"

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but the time allotted to him has expired.

Some hon. Members: Carry on!

Mr. Deputy Speaker: Does the House give consent to the hon. member who has the floor to continue?

Some hon. Members: Agreed.

[Mr. Brisco.]

Mr. Lalonde: We want more!

Mr. Brisco: Thank you, Mr. Speaker. I thank the minister. I wish to continue to read from the letter I have been quoting.

My shareholders are very proud of the fact that not only have they generated a successful industrial development here, but it is also an example of what Canada so vitally needs—the manufacture of an export product in an area which is otherwise totally dependent on resource industries.

Herein lies one of the cardinal problems confronting the operation of any DREE program. If hon. members will look at the news release put out by the Minister of Regional Economic Expansion (Mr. Lessard) they will find that the province of Quebec and the Maritime provinces are frequently recipients of DREE grants earmarked and geared toward the development of secondary industry, manufacturing items for export and so on. But what has happened in British Columbia? What has happened in Kootenay West and the area designated under the DREE program? Development there has simply been shut down by a government which is apparently not interested, if the minister is any example, bearing in mind that I am still waiting for an initial response to my letter of six weeks ago. The government has no feelings of sensitivity toward the needs of these people and the economy of the depressed areas of British Columbia.

● (2140)

On the basis of the above remarks my constituent who writes about this says:

Of course I must plead the case of my shareholders, but as a businessman I must also observe that the federal government seeded, and has been amply repaid for its seeding of the area. It has taken a lot of local time, effort and money to generate an atmosphere for development. What a shame it will be to turn the clock back.

I must conclude by saying that the industrial secondary industry clock in Kootenay West has been turned back by the government.

Mr. Peter Stollery (Spadina): Mr. Speaker, this area of world trade is an area in which I do not maintain that I have any particular expertise, but as one coming from metropolitan Toronto and as one who was brought up in the metropolitan Toronto area, I often reflect on the days during my boyhood in Toronto when there were about three major manufacturing industries there. As I recall those industries they were Massey-Harris, John Inglish, and possibly the Canada Wire and Cable Company although I cannot remember whether that started off as a wartime industry.

I recall so well that when any one of those two, three of four industries was on strike one always knew that somebody's father was on strike. We always knew the people involved, because in effect in the wartime period there were so few factories and industries in metropolitan Toronto that when any one of them was on strike the entire community was affected. What I believe must be impressed on one is the tremendous change that has occurred over the past 25 or 30 years. Then one could drive from Oshawa around to Niagara Falls and see three or four manufacturing operations, whereas today one can drive past hundreds and hundreds of large and small plants and

warehouses as well as the other various aspects of a highly productive region of Canada.

I think it is worth pointing out to members of the House the tremendous change that has taken place in such a relatively short period of time. In my memory, which certainly does not go back too far, I recall when Canada was nothing but an exporter of primary products, as well as of some tractors and a few other relatively minor manufactured goods. The change that has taken place over that 25 or 30 year period is, I believe, a tremendous achievement in the area from which I come.

I think those of us who come from Metro when we talk about the establishment of new industries are somewhat less enthusiastic about it than we are about the establishment of industries in other parts of Canada where jobs are crucial because of the tremendously high unemployment. Those of us from the metropolitan Toronto area are certainly less interested in 1976 than we would have been in 1947. I find it difficult to understand that the government's policies—and of course this goes back to the postwar area—have been so bad when we can have a member from British Columbia complaining about the problems of entrepreneurs in British Columbia, especially when we consider that the concept of entrepreneurs in his area 30 years ago would have been quite unusual.

If we talk about trade I do not see how we can exclude ourselves from the rest of the industrialised world. I think we would be remiss in forgetting that since 1970 the world has been in a state of economic chaos. We should remember that the energy component of every manufactured item and every item that affects our lives has increased eight times since 1970.

A barrel of Arabian light crude, which I think is what is used in the oil business as the base price, in 1970 was priced at something in the area of $1.50 a barrel, while today it is $11.50 a barrel. I should like to point out to members that the cost of producing that barrel of oil is 17 cents, while the cost to have it piped into a tanker in the Arabian Gulf, or wherever most of it comes from, I believe is 27 cents. I do not understand how one can talk about international trade and the terrific disruptions which have occurred in international trade without taking this crucial fact into consideration.

It is clear that this eight-fold increase brought about by mostly non-industrialised countries is the most significant factor since the industrial revolution began in 1770. This is the first time the industrialised countries in fact have not had the power to force their views on a non-industrialised part of the world. This surely has affected Canadian trade patterns in respect of manufactured goods, as it has affected the trade patterns of our trading partners.

I should like to point out to hon. members that when the Prime Minister (Mr. Trudeau) made his important trip to Mexico, Cuba, and Venezuela, a lot of attention was given by members opposite to his stop in Cuba. I have not heard a great deal about the visit he made to Venezuela. I think it is important that we have the facts straight. The fact is that 7 per cent of all Venezuelan exports comes to Canada and involves mainly oil. The amount of our exports going to Venezuela is so small that it could hardly be measured on a scale.

The Prime Minister went to Venezuela to assist in that situation, but members opposite are far more interested in making rather ludicrous comments about his stop in Cuba because, to them, that sounds better. They really are not interested in the attempt of the Prime Minister to encourage Canadian industry and Canadian trade with countries like Venezuela with which traditionnally we have not done too much export manufacturing business. I know that hon. members opposite are far more interested in the fact that he stopped in Havana, but they have no interest in the real value of the visit which took place when the Prime Minister continued on to Venezuela.

● (2150)

I should like to point out that we have had this disruption in trade since 1970, and it has been a world-wide phenomenon. I think it is worth pointing out some of the possibilities that some hon. members opposite may be promoting. One of them is that possibly we should cut back on Canadian tourists going abroad; that would have a significant effect on our balance of payments and our trade picture.

For the information of hon. members, Canadians have a wealthy society. I think it could be said that we have the wealthiest society in the world, if tourism is any indication. Canada is the largest tourist market in the world. Canadians spend more money abroad than any other people on earth, which is an indication that Canadians have money to spend and that they have jobs. Many of those jobs are in the manufacturing sector, about which hon. members opposite seem to be so concerned. I do not think it would be a positive step to start restricting the money which Canadians spend abroad. It is good for Canadians to get around, learn things, and benefit from all the other side effects which are associated with the fact that they have become such great world travellers over the past 15 or 20 years.

I should like also to point out that I have never pretended to be an expert on world trade, but I think the credit we extended to the Soviet Union last year was a positive step in selling Canadian goods. The credit to Indonesia which was announced yesterday by the Minister of Industry, Trade and Commerce (Mr. Jamieson) was a positive step toward selling Canadian goods. I do not have the list in front of me of countries to which we have extended credit, but I know that it is a substantial one. It is also worth pointing out the contractual link with the European Economic Community. The fact is that we have taken this kind of step to break away from our close arrangement with the United States and our dependency on one market. To try to extend that market into the European community is a good move. I think it is a positive step which is being taken by the Government of Canada.

As one who drives around to factories and manufacturing areas I cannot help but be impressed, not by the low productivity and the small amount of emphasis which has been put on the export of manufactured goods, but on the contrary, by the fact that on balance our productivity is good. We have made terrific efforts—and they have been successful efforts, as the last 20 years show—to sell our manufactured goods overseas.

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, the two main points in the motion before us tonight which was moved by the hon. member for York-Simcoe (Mr. Stevens) are the alarming trade figures and

declining productivity. I suspect that the GNP figures to be released on Wednesday will show the worst performance for the Canadian economy in the past 20 years.

The hon. member for Kootenay West (Mr. Brisco) had some interesting things to say about DREE, and I suggest as a start that the government should scrap some of the political gimmickery of regional grants and subsidies and substitute some tax incentives and some new banking controls if it hopes to overcome regional economic disparity. We need tax incentives for investors as an alternative to some of these ad hoc grants, because incentives can vary between industries and regions of this country. An alternative to tax incentives might be for the federal government to vary its reserve deposit requirements of chartered banks according to the type of investments they make. We could use the tax system to help further our agricultural industry by allowing agricultural producers to build up a tax free kitty when years are good and draw it out when years are bad. This would create much needed savings in this country for the investment Canada must have.

Canada's image abroad is that of a country living beyond its means. For example, we are seen paying our workers in some industries more than their American counterparts, even though our productivity is lower. We are borrowing huge amounts to pay our trade bills to foreigners. We have embraced a financial way of life which is endangering Canada's high credit standing in the world's money centres. It is almost impossible now to interest foreign investors in most Canadian stocks.

In dealing with Canada the manager of the international division of Shell International Petroleum Company said the following:

> I have observed some things going on over there that are very reminiscent of what was happening in Britain a few years ago, and it makes me worry.

Some of his concerns are high inflation and the general intrusion of government into business policy making. Our Prime Minister (Mr. Trudeau) says he wants more government, not less, and now we have the complicated prices and incomes controls before us.

From New York we hear that Canada is on the threshold of finding it more difficult to borrow there. The effect of a thumbs down attitude toward Canadian borrowers could be dramatic, because if the foreign money well goes dry Canadian corporations and government will be stampeding for the pool of capital available in Canada, and ordinary Canadians will suffer as a result. There is no question that interest rates on house mortgages and car loans would climb even higher than they are today. Tax bills of all kinds would go up. Needed spending for new hydro projects, roads, hospitals and schools would have to be cut back.

Canada's earnings from exports of goods and services lagged far behind the cost of imports in 1975, to the tune of probably more than $5 billion. Our country's big foreign borrowings enabled it virtually to balance its international books. Nevertheless, Canada's recent borrowing success could be misleading. It was based on good will and a high credit rating built up in earlier years. We have had the benefit of the doubt, but our friends are becoming increasingly concerned. They recall that for a generation in Britain successive governments wrestled with the economic problems created by perpetual foreign trade deficits which inevitably produced heavy reliance on borrowing outside the country.

To encourage the massive inflow of—

Mr. Deputy Speaker: It is with regret that I now must interrupt the hon. member, but it is my duty to inform the House that, it being ten o'clock, pursuant to Standing Order 58 (11) proceedings on the motion have now expired.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

AIRPORTS—INCREASED LANDING CHARGES FOR LIGHT AIRCRAFT—REQUEST FOR CLARIFICATION OF BASIS FOR INCREASE

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, on Friday last as recorded at page 11271 of *Hansard* the Minister of Transport (Mr. Lang) replied to a question I put relating to increases in the charges levied against flying clubs for the use of airports. I was not satisfied with the reply for reasons which I shall outline; hence my appearance on the late show this evening. I am glad to see that the parliamentary secretary to the minister is here to provide some answers to the questions I shall be raising.

My calculations are based on figures supplied to me by the Victoria Flying Club in my riding. They show increases in hourly rates of 533 per cent, that is, from 30 cents per hour to $1.90 per hour for flying training. By any ordinary calculation that is certainly over 500 per cent, yet the minister claimed:

> . . . the fee increase over all, if one does not isolate one particular aspect, represents an increase in the order of 5 per cent.

I find that not only difficult to accept, Mr. Speaker, I cannnot accept it. How does the minister calculate an increase of 5 per cent when he has in front of him all the figures from 30 cents per hour to $1.90 per hour for flying? What does the minister mean by "the fee increase over all?" The fee charged on commercial usage? Fees charged for car rental stands? Parking fees charged at airports, and the new fees for flying training clubs? Are they all jumbled together? Does this all amount to 5 per cent? I doubt if you added them all together and put them on the basis of past charges that you would get 5 per cent. You would get something nearer 95 per cent. I should like to know where the 5 per cent comes from, and that is my first question.

Let me produce some figures—admittedly from one particular aspect of the trade, the flying training aspect which

is an important area in Canada. It is the area our flying clubs use to produce much needed pilots for our commercial flying industry. It is an important industry and it is being charged out of existence.

In the Victoria flying training club alone the new charges, using the 1975 figures for flying hours, will add $17,600 to the fees charged last year. This represents one replacement aircraft, a Cessna 150, a light training aircraft. From where does this come? It comes from the increase from 30 cents per hour to $1.90 per hour, on the basis of something in the order of 13,000 hours being flown for training in that particular aircraft. On the basis of a $1,000 fee for the first licence, obtained for 70-odd flying hours, this might be between 7 per cent and 8 per cent if you work it out. Is this what the minister had in mind when he talked about 5 per cent?

The Victoria Flying Club is only one of the 39 clubs that are members of the Royal Canadian Flying Clubs Association. That association alone records some 200,000 flying training hours flown by pilots each year. I ask the minister: if this is where they are going to get their revenue who is to pay these extra charges? This is not the first time that the Department of Transport has increased charges for pilot training. In the late 1960's the pilot training subsidy of $100 per pilot was dropped. It represented something in the order of a 15 per cent to 20 per cent increase in fees. Now the pilot is being asked to assume another load. Over the last 18 or 20 years pilots have been asked to assume an increasing burden, and the clubs even more.

I wonder whether the parliamentary secretary can assure this House that the director of flying safety was consulted in the development of the new fee schedule. I have a feeling he was not, Mr. Speaker, and indeed I have some reason to believe he was not.

How were these levels determined if, as is assumed, they were expected to be calculated on a user-pay basis? Is the pilot in training wearing out the runway 533 per cent more now than last year? How were these charges arrived at when it is known that two more phases of charges are arriving? Why does the Department of Transport not bring out the whole package and discuss it with the flying training clubs that are performing a great service to this country? They are providing the pilots we need for our commercial systems.

Why does the government not publish charges to be levied under phases I, II and III, so that clubs will know what they face? Of course they will operate with outdated equipment for which they will pay. What about maintaining the currency of licences? This will be an added charge for the man who has a licence and must keep it up to date. What charges will the new phases I, II and III involve? Will these charges apply to visual flight rules? Will they apply to visual flight rule approaches, or only to guided approaches? Why does the ministry not spell out the whole package? An additional $2.60 is to be charged for what are called casual landings, that is, when you land at another airport than the one at which you are training. That is an additional fee pilots are asked to assume.

We were unable earlier to get sales tax removed from aircraft, despite arguments showing that they are a cheaper mode of transport than automobiles. Now there is a new levy. When is the pilot training industry to stop being the target of the government's revenue hunters?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, my hon. friend raised a number of issues in his remarks. It is difficult, of course, to reply to all his questions in the brief period available, and to provide the mathematical substantiation for the calculations but I hope I shall be able to shed some light on the situation this evening.

Presently, aircraft owned by a flying club or commercial flying school and engaged in flying training are subject to a landing fee of 30 cents for each hour flown by the aircraft. If one assumes, as is the case, that an aircraft normally performs ten touch and go landings per hour of training, the fee of 30 cents per hour is equivalent to three cents per landing. At present owners of private aircraft of 5,000 pounds or less do not pay landing fees at ministry of transport airports except Montreal, Toronto and Vancouver.

It should also be mentioned that the practice of not identifying aircraft doing local landings except at the three airports I previously mentioned prevents the billing of such landings.

The Minister of Transport (Mr. Lang) has indicated that he will soon announce increases in user charges to obtain a larger percentage of revenue from users rather than from taxpayers. The minister has already said in the House that the increases would be in the order of 30 per cent.

The increased fees for individual landings will apply to the last landing of an aircraft engaged in flying training, at a rate of $1.30 per last landing, assuming the purchase of a package.

Mr. Munro (Esquimalt-Saanich): I wonder what the Anti-Inflation Board thinks of that.

Mr. Goodale: To make this possible, the first take-off and last landing of all local flights will be recorded with the identification of the aircraft.

The fee of 30 cents per hour of flying training will be replaced as a "landing fee" by a new "service fee" of 60 cents per hour during flying training. At present each flying training landing produces revenue of three cents. For flying training of air crew personnel of a Canadian air carrier the landing fee applicable is 20 per cent of the corresponding normal landing fee. If, for comparison purposes, we compute the discount actually given to flying clubs, they only pay 3 per cent of the actual minimum landing fee of $1. The objective is that the charge applicable to flying training landings should be, on the average, 20 per cent of the normal landing fee. For owners of private aircraft over 5,000 pounds the impact of the proposed fee structure will be close to a straight 30 per cent increase in landing fees.

The case of aircraft owned by flying clubs or commercial flying schools is peculiar. The actual increase in fee would represent an increase of over 500 per cent when compared directly to the 1947 figure. Nevertheless, if we assume that the increase will be passed in the normal course to the customer, the corresponding impact on an hour of flying

training would be about 6 per cent. From this point of view it is a reasonable increase.

● (2210)

INQUIRY OF THE MINISTRY—SPACE IN HULL

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, my question of December 3, 1975, was directed to the government House leader on behalf of veterans for a very specific reason. It has been my privilege to have known the Minister of Veterans Affairs (Mr. MacDonald) for a few years, and I know the warmth and depth of sympathy which he extends to those who served their country in the armed forces. He is, indeed, a very sincere person and would extend a helping hand to those who have been deprived of some of their capabilities as a result of enlistment in our armed forces.

The general attitude of the government in respect of these people would indicate to me that government policy has restricted the flow of funds for the proper consideration of the need of veterans. Since the date of my question the estimates have been released for fiscal 1975-76.

The Minister of Veterans Affairs has advised the members of this House that the needs of the veterans for pension and for War Veterans Allowance as a result of World War II has not as yet reached its peak, that the demand is increasing as veterans grow older. In spite of this the budget of the Veterans Affairs Department has not been one of those with the largest rate of expansion for financial requirements, but the financial end of the requirement is only one aspect of the problem.

Not too long ago a veteran was advised that he was three hundred and eighty-ninth on the list of applicants for reconsideration of pension entitlement. This man has been in a state of declining health for the last five years, and has had several trips to hospital. If the old system were still in place so that a veteran could get treated by a competent, permanent staff of the department in consultation with specialists, the entitlement of the veteran would be almost automatically reconsidered after discharge from hospital.

Since the War Veterans' Hospital in Saint John has virtually disappeared, and since the veterans are now being treated at their local hospitals by local doctors and local consultants, the review of the case no longer seems to be automatic. The few doctors remaining on staff of the department apparently do not have the authority to rule on the basis of the local family doctor's report, and it seems to cause an unnecessary number of appearances before the Pensions Entitlement Board and the Appeal Board.

I am quite prepared to acknowledge that the responsibilities of government are not always easy to fulfil, but it is imperative that a proper perspective of the requirements of the various groups of citizens of this country be retained, and it is the duty of members of this House to draw to the attention of government the weaknesses as they appear in the system. Certainly the treatment of veterans has developed as one of those weaknesses.

The loss of perspective, of course, is not entirely restricted to the Department of Veterans Affairs. I would like to cite an example to support my case on behalf of the veterans. Let us take, for example, the action of government and its various departments as it would relate to the city of Moncton, New Brunswick. In The Ottawa *Journal* today on page nine there is an article by Dorothy Dearborn outlining the decrease in employment opportunity in that city. The CNR, a government corporation, has laid off 120 people. CFB Moncton Supply Depot may be eliminated with the loss of another 500 jobs. In addition to this, the construction of a Department of Transport building for which tenders have been called has either been cancelled or delayed, and there has been a reduction in DREE money for highway construction in the area.

This means that in four fields the Government of Canada has reduced employment opportunity from the anticipated level in one city in Canada in moves which were virtually simultaneous, at a time when the same city has just lost one of its major employers. This certainly illustrates a total lack of co-ordination of government programs and planning. I submit to you, Sir, that this is equally true of the attitude taken by the Department of Veterans Affairs toward the need for prompt consideration of pension applications and appeal board applications, as well as toward the need for a general re-assessment of the whole structure which administers this whole aspect of our society.

These remarks really do not need a reply unless the government House leader in his position of responsibility is prepared to undertake a re-assessment of this important social needs. On the day I raised this issue the government indicated that it could spend money where it wanted to by virtue of its new contract with Campeau for rental space to accommodate 6,000 civil servants in the city of Hull. If such a project could be undertaken on a lease basis, surely it is only fair to ask the hon. gentleman, as House leader, to give comparable consideration to means of calling attention to the needs of veterans and to extending to them, as the law of the land requires, the benefit of the "reasonable doubt" principle as extended by the courts.

As things are, the principle of "reasonable doubt" does not seem to be taking into account when a veteran applies for a pension. The letter of the regulations pertaining to his eligibility is a guide; "reasonable doubt" is precluded as a guideline and the veteran is denied his moral rights. This is a matter for total government consideration and I ask the House leader to extend his wholeheated assistance to the Minister of Veterans Affairs and those for whom his department is responsible.

The delay is unnecessary. There are capable people who would accept temporary employment to facilitate the work of the boards. There are doctors prepared to put their services at the disposal of the department. To make things even easier, temporary boards could be established to assess some of these cases—they could visit some of these small communities where veterans are being treated in hospitals. Let us remember the consideration they showed our country when we needed them. Now they need us. Let us consider them in the light in which they considered us when they enlisted for us.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, first let me express regret on behalf of the Minister of Veterans Affairs (Mr. MacDonald) that he is not able to respond personally to the hon. member tonight. He would normally do so but unfortunately he cannot be present this evening and he

has asked me to reply on his behalf. I appreciate the manner in which the hon. member began his remarks by expressing a sincere word of commendation for the minister who, as we know, is held in high regard by all hon. members of the House.

The minister and the department obviously cannot accept the basic implication in the hon. member's question as worded in *Hansard* that veterans are being treated with some sort of austerity. I shall not take the time of the House tonight by going into chapter and verse with regard to the various benefits which are provided by the department but I know, upon the advice of the minister and from my personal observations, that Canadian veterans enjoy the most comprehensive benefits in the world, and that the monetary levels of those benefits compare favourably with similar benefits anywhere. Of course we are not satisfied with that standard, but the comparison with other countries is important.

In Canada veterans have, as citizens, access to the benefits of all federal, provincial and municipal programs and, in some cases, something substantially more because of their status as veterans. If the hon. member would bring any specific cases he is interested in to the attention of the minister, I know the minister would be delighted to have them investigated and dealt with promptly.

Mr. McCain: How would you like to be 389th on that list?

Motion agreed to and the House adjourned at 10.21 p.m.

HOUSE OF COMMONS

Tuesday, March 2, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

THE CANADIAN ECONOMY

PROPOSED REFERENCE TO SUPREME COURT OF DELEGATION OF PROVINCIAL AUTHORITY TO FEDERAL GOVERNMENT OF MATTERS RELATING TO ANTI-INFLATION PROGRAM—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43. In light of the decision reported in this morning's press by an arbitrator in the negotiations between the Ontario government and Ontario Public Service Employees' Union that the province of Ontario does not have the authority to act by order in council in delegating responsibility to the federal government for the federal anti-inflation program, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the government be instructed to refer the question of the constitutional validity of the delegation of provincial authority to the federal government of matters arising out of the federal anti-inflation legislation to the Supreme Court for a ruling.

Mr. Speaker: Pursuant to Standing Order 43 such a motion can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

AGRICULTURE

SUGGESTED DISTRIBUTION OF MILK IN SCHOOLS—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to present a motion dealing with an important and urgent matter.

Considering that milk consumption in Quebec is lower than in Ontario and that milk must play an essential role in the feeding habits of our young people, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this government take the necessary steps to distribute milk in schools and thus promote milk consumption among young people.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Pursuant to the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

[*English*]

CONSULTATION WITH PROVINCES ON ESTABLISHING SCHOOL MILK PROGRAMS—MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise on a matter of pressing and urgent necessity under the provisions of Standing Order 43. In view of the fact that the Canadian taxpayer is subsidizing skim milk purchases by communist countries in eastern Europe, and in view of the fact that many Canadian children have less than adequate diets, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instruct the Minister of National Health and Welfare and the Minister of Agriculture to consult their provincial counterparts with a view to setting up a school milk program so that any subsidization of milk purchases benefits young Canadians and not countries whose standard of living indicates their ability to pay the full price of the milk powder; and further that this House instruct the two ministers to report back to this House in one month.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 such a motion can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

NATIONAL DEFENCE

LOCKHEED CONTRACT—DATE OF SIGNING AND COMMENCEMENT OF PRODUCTION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, in the absence of the Minister of National Defence I should like to put some questions to the Prime Minister. On February 29 the Minister of National Defence stated that Canada would proceed with the signing of a contract to purchase the Lockheed LRPA. However, Brigadier General L. Morrison stated on March 1 that reports of a government go-ahead were premature. Would the Prime Minister clarify this apparent discrepancy and inform the House

when, if ever, the contract will be signed and production of the Orion begin?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not aware of the statement referred to, and I would answer subject to any—well, I see the minister has arrived. Perhaps the hon. member could ask him to reply to this question. My information is that it is a matter of cash flow with the company and not with the government. The government has proposed an arrangement, and my information is that the company itself has some cash flow problem.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I wonder if I could put that question to the minister. When, if ever, will the contract for the Orion aircraft be signed and production begin, and would the minister clarify the discrepancy between statements reported to have been made by him and by Brigadier General Morrison with respect to the go-ahead on this purchase?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I believe that yesterday the Minister of Supply and Services gave a very complete answer. He indicated that the difficulties were in the financing during the construction or production phase. At the time it agreed to purchase the Lockheed, the government made arrangements for full payment when the aircraft were delivered, but there has been a difficulty about the financing of the interim payments during the production period, and that is still being negotiated with the Lockheed company.

● (1410)

Concerning the second part of the question, I have not stated that the contract was going to be signed; I have stated that in principle the government had made an agreement to purchase the aircraft and the details were to be negotiated.

LOCKHEED CONTRACT—REASON FOR INCREASE IN COST—COMPANY'S POSITION ON OFFERING CREDIT

Mr. Walter Baker (Grenville-Carleton): A supplementary question, Mr. Speaker. In light of the fact that the purchase cost has now risen to, I believe, $1.06 billion, which is an increase of almost $100 million in the space of three months, can the minister explain how such a massive cost increase was possible? If the increase is in fact the result of rising interest costs, is the minister prepared to tell the House from whom the Department of National Defence is borrowing the necessary capital for front-end financing since only $30 million is allotted for the LRPA purchase for the fiscal year 1976-77 in the estimates? Where does this additional money come from?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, there are two or three questions there. The increase between the $950 million for the program costs and the estimate of $1.061 billion is made up by the costs of financing or paying interest on these interim financing payments. That has always been part of the proposal. In the statement I made in the House last November, I said there would be charges above the $950 million and those would be for financing the payments over the interim period. That explains the difference between the two figures. We have always intended to have a financing cost because it is cheaper to do it that way than to extend the program which we could have done but it would have cost some $300 million extra. That is why we chose the financing route. I do not know whether there was another aspect to the question.

[Mr. Baker (Grenville-Carleton).]

Mr. Baker (Grenville-Carleton): A final supplementary, Mr. Speaker. Has Lockheed offered a line of credit to the government to enable production to get started—yes or no? Can the minister clarify that? Unlike what the minister said there seems to be nothing to clarify the situation in his answers today or in the answers of the Minister of Supply and Services yesterday.

Mr. Richardson: That is the difficulty, Mr. Speaker. Lockheed has not been able to finance these interim payments. As I have explained to the House on earlier occasions the problems that have beset that company all around the world have added to their difficulty in helping finance those production payments.

Mr. Baker (Grenville-Carleton): So we are not very close to financing at all.

LOCKHEED CONTRACT—EFFECT OF FAILURE OF JAPAN TO PURCHASE THE ORION AIRCRAFT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is to the Minister of National Defence. Mr. Shirakawa, the chairman of Japan's joint chiefs of staff, stated publicly that it was unlikely that Japan would now proceed with the purchase of the Orion as a result of recent bribery disclosures involving Lockheed. Since a major proviso in our signing of a purchase agreement with Lookheed was the contracting out of work on Japanese Orions to Canadian companies, what, if any, effect will the Japanese decision have on the signing of the Canadian agreement?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, very little and perhaps I should have said no difference to us because most of the aircraft Japan was interested in buying were to be constructed in Japan. They were not needed in order to complete the 150 ship sets, part of which were to be constructed in Canada. Lockheed indicated they could meet that target of 150 ship sets with or without the Japanese contract.

LOCKHEED CONTRACT—POSSIBILITY OF DEMAND FOR COMPENSATION IF CANADA DOES NOT SIGN

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, since Lockheed has reportedly acted on the instructions of the Minister of Supply and Services, dated December 2, to commence production of the Orion and since production did in fact begin on January 5 in California, does the minister anticipate that Lockheed will demand compensation from the Canadian government, in the event that the contract is not signed?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, production has not begun in the sense that there has not been physical production of any parts of the aircraft. There has, however, been some continuing expenditure to keep together the engineering team that has been working on this program. I expect that if the contract is not completed Lockheed will look to the Government of Canada for payment of some part of those costs.

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EXTERNAL AFFAIRS

PAKISTAN—POSITION ON PURCHASING NUCLEAR REPROCESSING PLANT FROM FRANCE AND ACCEPTING CANADIAN SAFEGUARDS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Secretary of State for External Affairs. Can the minister tell the House if Pakistan intends to purchase a French nuclear reprocessing plant, and if Pakistan accepts the new Canadian safeguards requirements? Does that country accept that such safeguards will also apply to spent fuel emanating from the CANDU reactor in Pakistan?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, negotiations between Canada and Pakistan on safeguards have not yet been completed. They will not be completed, I understand, at this particular stage and will resume at a later date. To answer the first part of the question relating to the reprocessing plant, it is my second-hand information that Pakistan proposes to acquire a reprocessing plant in France.

PAKISTAN—CANADIAN POSITION ON SALE OF URANIUM

Mr. Edward Broadbent (Oshawa-Whitby): A supplementary question, Mr. Speaker. I understand from what the minister said that negotiations have been suspended, presumably because of some deadlock. Does this mean, in part, that the Government of Canada has not negotiated a further sale of uranium to that country? For clarification, may I ask the minister if we have committed ourselves to selling more uranium to Pakistan in coming months?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, we have not concluded the negotiations. We have not reached agreement on various points, but have made progress in the negotiations, which have not been primarily based upon additional sales of any type. We have not renewed any terms, at this stage, with regard to further supplies.

Mr. Broadbent: Mr. Speaker, may I ask a final supplementary question? Since, as I understand, the five-year agreement entered into between Canada and Pakistan for the sale of uranium to supply the CANDU reactor in Pakistan has expired or is about to expire, are negotiations continuing for the supply of further fuel from Canada for that reactor; or, if not, does the minister understand that Pakistan is attempting to obtain uranium from some other country?

Mr. MacEachen: Mr. Speaker, as the hon. member knows, Canada has been the supplier of fuel for the power reactor in Pakistan. As I mentioned to the hon. member last week, it is open to the Government of Canada to cease shipment. I have already described to the hon. member the effect of such a decision on the power situation and supply of electricity in Karachi. Canada has not taken a decision, at this stage, on that particular point.

* * *

[*Translation*]

AGRICULTURE

PROPOSED DEBATE ON DAIRY POLICY

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a question for the Minister of Agriculture.

In respect of the milk policy to be announced in April by the government, could the minister tell us whether the government he represents intends on its own initiative to allow a debate in the House so that members, especially those from the east and from Quebec, may express the views of producers who reside in their riding concerning problems this extremely important industry is faced with and those it will have to cope with in the future if the policy announced in November is to be applied?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I understand that the dairy farmers of Canada are coming to meet members of the parliament of Canada. Before we have a debate in the House I think members of parliament should talk directly to dairy farmers and discuss their problems with them. Then, if they feel it necessary to come to the House, I do not think there would be much wrong with that.

● (1420)

[*Translation*]

Mr. Fortin: Mr. Speaker, I want to ask a supplementary question.

I do not wait for the minister's advice before meeting the people of my constituency, including producers. I did so many times. He could even take lessons on that subject, but I shall rather ask him if the government intends to allow a debate on its dairy policy, which concerns the eastern part of the country, since the same government gives so much consideration to western producers?

[*English*]

Mr. Whelan: Mr. Speaker, the dairy policy concerns not only the dairy producers, but all the people of Canada. I am sure they are all concerned that we maintain a healthy, viable dairy industry in Canada. The world situation has been compounded because we have too many efficient producers. We do not have that much money for them to waste products and that is what they are doing. They are producing more than we consume or can sell.

Oral Questions

MILK POWDER—SALE TO EASTERN EUROPEAN COUNTRIES—POSSIBLE OFFER TO LEAST DEVELOPED COUNTRIES

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my supplementary question is to the Minister of Agriculture. It is with regard to the report today that the Canadian Dairy Commission is offering surplus milk powder to eastern European countries for less than 14 cents a pound. Did the government give the right of first refusal of this surplus milk powder to the least develop countries of the world where starvation and malnutrition are rampant?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it is my understanding that we have, through the normal channels of government, explored every avenue to try to give it away, sell it as cheap as we can—

Some hon. Members: Oh, oh!

Mr. Whelan: We know that after skim milk powder reaches the 90 day stage, many countries will not accept it for consumption. Therefore, it has to be distributed as rapidly as possible. A lot of the product that is going to Europe, or wherever it may be going—we have agents all over the world trying to sell it, push it and do everything else with it—will be for recycling, possibly for livestock feed, in the baking industry and so on.

Mr. Roche: This morning's report stated that the surplus milk powder will be disposed of for livestock feed. That was confirmed by the minister a second ago. Is it the policy of the government that surplus food products in Canada will be disposed of as food for animals rather than shipped by the first available transportation for human consumption to countries facing starvation?

Mr. Whelan: In no way, Mr. Speaker. However, as far as we are concerned, we want to make sure that none goes to waste. If it can be used for human consumption, that is the first preference. If necessary, it will be used for animal feed. That is not new in our history. I remember years ago when we bought it on the farms for three cents a pound.

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AIR TRANSPORT

BILINGUAL AIR TRAFFIC CONTROL PROGRAM—REQUEST FOR CLARIFICATION OF MINISTER'S STATEMENT

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is to the Minister of Transport. In light of the announcement made by the minister in a press release on December 13 that studies and consultations would precede the implementation of bilingual IFR and VFR communications at airports in the province of Quebec, will the minister clarify the press statement attributed to Mr. Walter McLeish of his department to the effect that the bilingual air traffic control program is envisaged to handle commercial air traffic? Does this mean both international and domestic commercial flights or just domestic?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, that statement, and the longer statement which I made today, I think clarifies the situation quite fully as far as both the great care we are taking to be sure that safety is being taken into account and also our objective to allow for the use of the French language in the province of Quebec by those pilots who are much more at home in that language. Of course, at all times the English language will be available for international flights.

Mr. Munro (Esquimalt-Saanich): Not having had the advantage of having read the statement made today—it was made outside the House—I should like to ask the minister if he is now considering the introduction of bilingual VFR communications programs at Dorval and Mirabel despite his undertaking in this House, if my memory serves me correctly, that no extension of this program beyond the five airports originally cited in the province of Quebec would be carried out until appropriate simulator studies had been conducted satisfactorily by the ministry, and even then only after full consultation and agreement with the Airline Pilots Association.

Mr. Lang: We have at all times repeated our intention to test fully all procedures, be absolutely satisfied about safety and have full discussions with all interested parties about the procedures which are in effect. I would therefore ask the hon. member to avoid his phobia of looking for problems where none exist—

Some hon. Members: Hear, hear!

Mr. Lang: —and his double phobia in thinking I should make an address to the International Airline Pilots Association in this House.

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AIRPORTS

OTTAWA—POSSIBILITY OF INTRODUCING BILINGUAL AIR TRAFFIC CONTROLLERS

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Would the Minister of Transport clarify his statement to the press to the effect that he will be looking seriously at the prospect of bilingual communications at Ottawa International airport, and, if so, for what reason?

Hon. Otto E. Lang (Minister of Transport): Obviously, hon. members will be delighted to know that I have asked my department to send a copy of my full remarks this morning to all members of the House, so that they will know exactly what I did say. I did indicate that the intention of our examination was to look at bilingual communication in air traffic control throughout the province of Quebec. I did indicate we were not looking beyond that, with the single exception of the national capital where for obvious reasons somewhat similar considerations might apply.

Mr. Hnatyshyn: Could the minister be more specific as to the reasons for which he intends to recommend that bilingual communication be entertained in Ottawa and whether or not the air traffic controllers have in fact been consulted with respect to this move, and further, in times

of restraint, whether he thinks the cost involved in training and implementation is worth while?

Mr. Lang: Again, the hon. member is awfully nervous about a statement which simply indicated that I would not close the door on the extension of service to a particular location. I would think members opposite would rather fall back on what has been the traditional position of their party, which is to support reasonable steps for the provision of bilingual services in this country.

Some hon. Members: Hear, hear!

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AIR TRANSPORT

POSSIBILITY OF DANGEROUS CONDITION IN QUEBEC AS RESULT OF LACK OF BILINGUAL AIR TRAFFIC CONTROLLERS

Mr. Benno Friesen (Surrey-White Rock): In view of the minister's statement this morning that the implementation of bilingual air traffic control is in the interests of safety, is he suggesting that there are some bad flying conditions in the province of Quebec now because we do not have bilingual air traffic controllers and pilots there are not sufficiently adept in the language?

Hon. Otto E. Lang (Minister of Transport): By extending the use of French as a permissible control language for flight operations at five airports initially in the province of Quebec, we met the greatest part of the problem which was to deal with those pilots whose comprehension is much better in the French language than it is in English and we are therefore making it possible for them to communicate with air traffic control in that language to enhance safety. The existence of that facility in the French language at those airports has increased quite remarkably the number of pilots, whose normal language is French, flying into those airports, which demonstrates the purpose that is being served by accommodating pilots in this fashion.

We are therefore doing something which makes sense. We are doing it with safety in mind. We do not have the same immediate problem with IFR flights because it is a fact that almost any pilot with an IFR licence will also have an English capability and will therefore be able to fly beyond the immediate region of his province.

* * *

● (1430)

PUBLIC SERVICE

INQUIRY WHETHER AIR TRAFFIC CONTROLLERS INCLUDED IN ESTIMATE OF BILINGUAL POSITIONS

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, may I put a final supplementary question to the President of the Treasury Board. May I ask the President of the Treasury Board whether the air traffic controllers, who are now supposed to be bilingual, were included in the estimate of 52,000 positions that the President of the Treasury Board announced a year ago?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I am sorry, I missed the question because I was caught between two lines.

Mr. Friesen: Mr. Speaker, may I ask the President of the Treasury Board whether the air traffic controllers who are now deemed to be bilingual, or need to be bilingual, were part of the 52,000 positions allocated last year as needing to be bilingual positions?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I am not in a position to give a precise answer to the hon. member on that subject, but I shall answer him tomorrow, because of course I do not have those figures with me.

SMALL NUMBER OF INFORMATION CANADA EMPLOYEES FINDING EMPLOYMENT—GOVERNMENT ACTION

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I shall take this opportunity to answer the question asked yesterday by the hon. member for Grenville-Carleton concerning the employees of Information Canada. Contrary to the information he gave the House yesterday, I can say that until now we have relocated 216 out of 301 persons. So, instead of 20 per cent, it is almost 70 per cent of the employees who have other positions.

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[*English*]

TRADE

INCREASE IN DEFICIT—GOVERNMENT ACTION TO CORRECT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. As Statistics Canada stated on Friday that Canada's merchandise trade deficit increased sharply in January to $309 million from $91 million in December, with imports rising at two and a half times the rate of the increase in exports, following a year in which the total deficit was $800 million, does the Prime Minister believe that the Canadian business community should derive the same satisfaction from these alarming trade figures as he said on Friday they should derive from the fact that the index of industrial production took a sharp drop in December, following a total year's reduction of 5 per cent in the index?

Right Hon. P. E. Trudeau (Prime Minister): Oh no, Mr. Speaker.

Mr. Chrétien: Try again, George.

Mr. Hees: A supplementary question, Mr. Speaker. As usual the Prime Minister has not taken the trouble to read the Statistics Canada report on a matter so important as a drastic trade deficit which is going to cost the country a great deal indeed and cause great internal trouble in the country. May I ask the Prime Minister, what is the government's plan to try to straighten out this very serious trade deficit and to put the country back on a sound trading basis?

Mr. Trudeau: Mr. Speaker, in the debate which took place yesterday the hon. member will recall that government spokesmen indicated the views of the government on this subject. I should add that the Minister of Industry, Trade and Commerce is presently travelling to several countries precisely in order to give Canada a favourable trade balance. As for myself, I travelled in late January to two or three countries with whom we have some hope of improving trading relationships. I understand also that the Minister of Industry, Trade and Commerce has planned a meeting of businessmen in April to discuss ways of improving trade in particular.

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[*Translation*]

OLYMPIC GAMES

POSSIBLE FINANCING IN EXCHANGE FOR PATRIATION OF CONSTITUTION

Mr. Gilles Marceau (Lapointe): Mr. Speaker, I have a question for the right hon. Prime Minister.

As the day of the meeting between the Prime Minister of Canada and the premier of Quebec approaches, there is an ever more persistent rumour that an agreement would be made on the patriation of the Canadian constitution in exchange for a partial payment of the possible Olympic Games deficit. Could the Prime Minister cast some light on this important matter?

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, we do not intend at all to link both questions. I think this rumour would offend the government of Quebec which surely would not be corruptible enough to sell some rights in exchange for an amount of money.

* * *

[*English*]

HEALTH

SUGGESTED ESTABLISHMENT OF SCHOOL MILK PROGRAM—GOVERNMENT POSITION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. In view of the loss of some $200 million in the subsidization of the sale of skim milk powder sold to various countries at prices substantially lower than the support price, and in view of the poor standards of health shown in the survey done for his department by Nutrition Canada, would the minister consider discussing with the Minister of Agriculture and with their provincial counterparts the establishment of a school milk program which would provide half a pint of milk a day to every student attending school in Canada, which program would help eliminate the surplus of milk and improve the health of young Canadians?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, this is not being considered at the present time.

[Mr. Hees.]

[*English*]

REQUEST FOR EXPANSION OF PILOT PROJECT FOR SCHOOL MILK PROGRAM

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a supplementary question for the Minister of National Health and Welfare. In view of the fact that the minister is carrying out, in conjunction with one of the eastern provinces, a pilot project for a school milk program, would the minister consider, if he has not had the report on the pilot project, expanding it to all provinces, thus helping alleviate the surplus milk situation as well as help our children?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have not yet received the report on the pilot project.

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[*English*]

AIR TRANSPORT

POSSIBILITY OF REFUSAL OF PILOTS AND CONTROLLERS TO WORK WITH BILINGUAL AIR TRAFFIC CONTROL—GOVERNMENT POSITION

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is also for the Minister of Transport. As a result of his declaration for bilingual controls this morning at the international air safety symposium, what policy will the minister and his government pursue in the event that the pilots and air traffic controllers refuse to compromise public air safety in Canadian air traffic control?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I cannot really comment on a hypothetical question like that. We have been indicating our objectives, our goodwill and desire for complete co-operation and assistance from all concerned in developing proper procedures, and I hope that atmosphere will be the one that prevails.

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ROYAL CANADIAN MOUNTED POLICE

DATE OF PUBLICATION OF MARIN REPORT

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Solicitor General of which I have given him notice. When does the minister expect to receive the report from Judge Marin on working conditions within the Royal Canadian Mounted Police, and will the report be made public shortly thereafter?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, Judge Marin will present me with the report next Monday and it will be made public soon afterwards. I might say that the report deals with disciplinary matters within the RCMP and how we should handle complaints of the public against the RCMP.

EXTERNAL AFFAIRS

PROTEST OF MR. BIBERSHTEIN AGAINST REFUSAL OF RUSSIA TO ALLOW HIS WIFE AND DAUGHTER TO JOIN HIM—GOVERNMENT ACTION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a question for the Secretary of State for External Affairs which I indicated I would ask him. Is the minister aware of the case of Mr. Boris Bibershtein of Toronto who is entering the third week of a hunger strike to protest the refusal of the Russian government to allow his wife and eight year old daughter to join him in Canada, despite the fact that Mr. Bibershtein himself has been in Canada for 16 months? If the minister is aware of this case, if Mr. Bibershtein makes a formal request to the government to assist by interceding with the Russian authorities, is the minister prepared to help in any way he can?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Yes, Mr. Speaker, I am aware of this case. I heard the gentleman on the radio over the weekend, when he stated that at the present time he was not seeking assistance from the government of Canada. Certainly, we would be ready to assist because it is a humanitarian case involving family reunification.

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REGIONAL ECONOMIC EXPANSION

POSSIBILITY OF AMENDMENTS TO LEGISLATION

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. I wonder whether the minister would inform the House, as a result of certain statements he made in the province of Quebec yesterday, whether it is his intention to produce new legislation to the House or amendments to present legislation relating to his department which will materially alter the course that his department is following at the moment?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I did read a few moments ago the report on what I stated yesterday in Drummondville. There may be exaggeration over the terms I used. Nevertheless, there is no need at all to amend the legislation governing departmental activities so that the department itself be able to carry on the necessary studies and analyses, and to encourage and promote the industrial sector. Finally, that is what it has done so far to some extent, and this is exactly what most of my colleagues here in the House did, even those of the opposition, in respect of representations urging the department to be more aggressive and get better results, particularly in the Atlantic provinces. This is what I intend to do in reply to the suggestions of the House.

● (1440)

[*English*]

NATIONAL DEFENCE

MINISTER'S VIEW OF UNITED STATES TRIDENT PROGRAM AS FACTOR IN KEEPING PEACE

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, my question is directed to the Minister of National Defence. Recently in British Columbia considerable controversy has developed regarding the Trident system of nuclear submarines having their refit and overhaul base at Bangor, Washington, since some British Columbians suggest this base would endanger residents in the lower mainland. Would the minister comment on the danger to the lower mainland and whether he feels the Trident program is a positive or negative factor in maintaining the balance of power between the United States of America and the U.S.S.R.

Hon. James Richardson (Minister of National Defence): Yes, Mr. Speaker; as I said in Vancouver I think the Trident base is part of the deterrent and part of the means of keeping a peaceful world. I wish the hon. member and others asking similar questions would ask them about some of the Soviet bases that are being built.

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[*Translation*]

CANADIAN NATIONAL RAILWAYS

LAY-OFF OF SEVENTEEN STATION MASTERS IN QUEBEC—SUGGESTED RETIREMENT OR FREEZING OF POSITIONS

Mr. René Matte (Champlain): Mr. Speaker, I have a question for the Minister of Transport.

Considering the order of the Canadian Transport Commission allowing the Canadian National to lay off 17 station masters in the province of Quebec, and bearing in mind that some of them have more than 30 years of service to their credit and that it would be hard for them to get used to other positions, would the minister say if he would approach this problem from the human point of view and recommend either freezing the positions of these station masters or the possibility of retiring them on pension?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I do not have the specific facts of the situation. The various employee agreements normally protect by way of seniority persons in positions like this, but I would be glad to look at the specific cases.

Oral Questions

TRANSPORT

REQUEST FOR INQUIRY INTO SINKING OF "SAN JUAN"—REASON RECOMMENDATION OF JUDICIAL INQUIRY NOT ACTED UPON

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Transport and perhaps I can avoid a supplementary by putting it in two parts. First, does the minister intend, in compliance with the request of the Newfoundland government and others, to conduct a judicial inquiry into the sinking of the fishing vessel *San Juan* and the role of the Canadian coastguard in relation thereto. Also could the minister tell the House whether he intends to cause his own investigation into the reasons the recommendation of the last judicial inquiry into a sinking were not acted upon which had to do with the greater dispersal of the search and rescue units on the east coast?

Hon. Otto E. Lang (Minister of Transport): Well, Mr. Speaker, the decision on the over-all question of where search and rescue facilities are located and how many are provided is one the government has to take with an eye on the various priorities and how we can accommodate them. It is my intention to look further into the allegations and details of the specific incident of last week, and I would want to do that before I reach any further conclusion as to whether a further inquiry is justified.

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NATIONAL DEFENCE

LOCKHEED CONTRACT—DELAY IN SIGNING CONTRACT—POSSIBLE REPRESENTATIONS ABOUT CANADAIR

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is supplementary to questions asked earlier. It is directed to the Minister of National Defence. Can he indicate whether he or any of the officials of his department have had any representations about Canadair with regard to this prolonged delay in the signing of the contract for the Orion and whether or not any such representations had to do with refurbishing of the Argus or the bringing back up again of the so-called Phoenix program?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, some months or years ago Canadair was one of the contenders during the evaluation phase and did put forward a proposal which was not accepted. Until we have completed the negotiation on the Lockheed contract one way or the other we are not entertaining proposals from any other source including Canadair.

Mr. Forrestall: Mr. Speaker, I understand from the minister then that there have been no representations from Canadair along these lines. Could the minister indicate when we might expect a conclusion of the present negotiations in respect of the Orion contract.

Mr. Richardson: Well, Mr. Speaker, in completing the answer to the first question, there have been no representations from Canadair to me personally. I cannot say how long it will take to complete the negotiations with Lockheed.

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POST OFFICE

SALE OF STAMPS BY OVERSEAS DEALERS—ALLEGED CONTRAVENTION OF AGREEMENT

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I wish to direct a question to the Postmaster General. What steps does the Postmaster General contemplate to stop the sale of Canadian postage stamps by overseas dealers, who are paid a commission of 25 per cent in apparent contravention of the Post Office Act which calls for a commission of 2 per cent, to prevent the return to Canada of some of these stamps for use as postage in Canada, in apparent violation of the agreement with overseas dealers and in apparent contravention of the act which reserves to the Post Office the right to sell postage stamps in Canada.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, contrary to what the hon. gentleman says there is no evidence of any of these stamps returning to Canada. The fact that we are using the facilities, particularly of some countries, is purely an economic matter because we find it less expensive than setting up our own. If the hon. gentleman has any information or concrete evidence that stamps are coming back to Canada, I would be glad to receive it.

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AGRICULTURE

MILK—POSSIBILITY TAXPAYERS RATHER THAN FARMERS WILL PAY LOSSES

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I should like to come back to the question of the dairy farmers and the figures we have seen in the papers this morning about the huge losses under the CDC program, the program of the Canadian Dairy Commission. Is there any intention on the part of the minister to load part of these costs on taxpayers in general instead of the hard-pressed dairy fairmers?

Hon. E. F. Whelan (Minister of Agriculture): Not at the present time, Mr. Speaker.

CHEESE—PROPOSED REDUCTION IN IMPORTS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Agriculture. In view of the proposal which I understand is before cabinet now to increase our imports of cheese this year from the European Common Market Community by 50 million pounds, I should like to ask the minister whether or not he has been able to persuade his cabinet colleagues to cut back on the imports of cheese because of the over-supply of dairy products in this country.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Minister of Industry, Trade and Commerce announced there would be no increase in the quota for specialty cheeses coming into Canada and that it would remain at 50 million pounds. Negotiations will take place with the countries which are exporting that cheese to Canada and which are subsidizing it to the tune, in some

instances, of 75 per cent. Negotiations will take place with them the same as that took place between them and our big neighbour to the south, which had the effect of taking the subsidies off their cheese coming into the U.S.A. Even if we were to eliminate completely the 50 million pounds of imported cheese into Canada it would not nearly solve the problem.

FLUID MILK—POSSIBILITY OF RE-INSTITUTING SUBSIDY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a supplementary for the minister on another subject. Can he say whether or not he has had any problems persuading his cabinet colleagues to re-institute the five cents per quart consumer subsidy on milk in order to try to bring up the consumption of milk in this country.

Hon. E. F. Whelan (Minister of Agriculture): Well, Mr. Speaker, in some of the provinces which have put on an advertising campaign, the consumption is back up where it was before, because it is still the cheapest bottle of anything you want to buy and it has more food value so far as that goes. I have not even proposed that they put back the subsidy because we are subsidizing skim milk powder to the tune of 34 cents a pound. Consumption of it has gone up over 11 per cent in the last year in Canada. There are adequate supplies on the shelves for anyone who wants to buy it at reasonable prices.

* * *

AIR TRANSPORT

PROPOSAL THAT CONCORDE LAND AT NIAGARA FALLS, NEW YORK—REQUEST FOR ACTION TO PROTECT CANADIAN ENVIRONMENT

Mr. Roger Young (Niagara Falls): Mr. Speaker, my question is for the Minister of Transport. In view of the proposal and invitation of the Mayor of the City of Niagara Falls, New York, to have the Concorde aircraft land at their local airport, and in view of the fact that any such landings and take-offs may very well have to overfly Canadian territory, would the minister undertake to consult with the Minister of the Environment to ensure that such flights will not cause any serious environmental impact upon the very scenic area along the Canadian border; and would he also undertake to ensure that applicable Canadian flight regulations are made sufficient to protect local residents from any increased noise and air traffic levels.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, of course our ordinary rules would apply and at the present time that includes the requirement that flights of this sort would be at sub-sonic rather than super-sonic speeds. We have not had to face the specific question of whether any variations on these rules would be required or reasonable.

● (1450)

FINANCE

EFFECT ON TRADE OF RELATIONSHIPS BETWEEN CANADIAN AND UNITED STATES DOLLARS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. With the Canadian dollar now above par in relation to the United States dollar, would the minister indicate if he feels this is aggravating our trade deficit, bearing in mind that exports become much dearer and imports become much cheaper in the country? If he does feel it is aggravating our trade imbalance, does he see the Canadian dollar falling in relation to the United States dollar in the next few months?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would say that in the short run there has not been a negative effect on Canadian exports, although I would have to acknowledge that over a period of time our competitive position could be adversely affected. The remedy available to the Bank of Canada in order to reduce the external value of the Canadian dollar would be substantially confined to a very great increase in the money supply, and for reasons previously set out in the House, we propose not to follow that course. We will, however, be watching the external value of the dollar very closely, reflecting as it does the very high degree of foreign investment in Canada.

POSSIBILITY OF LOWERING OF INTEREST RATES—MINISTER'S POSITION

Mr. Sinclair Stevens (York-Simcoe): In relation to the foreign borrowing in this country, the massive borrowing of some $4.7 billion last year which was attracted largely by high interest rates, 2 per cent to 3 per cent higher than in most countries, would the minister indicate if he foresees a lowering of Canadian interest rates in the next few months?

Hon. Donald S. Macdonald (Minister of Finance): I think the interest rate in Canada in relation to the interest rate in the United States reflects substantially the difference in the inflation rates between the two countries. The best prospect for bringing down interest rates in Canada is the success of the controls program.

* * *

INCOME TAX

TAX AVOIDANCE BY MULTINATIONAL COMPANIES—CANADIAN REPRESENTATION AT MEETING OF INTER AMERICA CENTRE OF TAX ADMINISTRATION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of National Revenue. It is related to a question which was asked him on Friday. Multinational firms have set up foreign subsidiaries and then diverted income out of Canada to lessen their tax liabilities, and according to the Auditor General, the practice is costing Canada hundreds of millions of dollars annually. Is the Department of National Revenue taking any steps to limit this type of tax avoidance by arranging a

fuller exchange of information between countries and a closer watch on multinationals?

Finally, the Inter America Centre of Tax Administration, a Panama based organization of 26 countries which promotes co-operation between tax jurisdictions, will consider this approach when it meets in Washington March 17 and 18. My question is, will Canada be in attendance at this meeting, or will we be sending any observers?

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, we will be in attendance, but I am not sure whether as a participant or as an observer. Most assuredly, we are working in close co-operation, particularly with the United States. With respect to some of the countries which form the membership, I must say that their interests may be contrary to ours in so far as being effective and controlling the amount of money which flows out, but we are ever vigilant and ever alert to that problem. We are meeting on almost a weekly basis, and I will be meeting with Mr. Alexander probably in late March or early April.

Mr. Crouse: Would the minister consider the possibility of evaluation of the cost of goods and materials being shipped in and out of Canada and setting a fair market value on them on which tax could be based in order to save some of this tremendous revenue which is required by our country?

Mr. Cullen: If it were as simple as that, we would not have a problem: it is a little more sophisticated than that, and some day perhaps the hon. member and I will have a discussion about it.

* * *

FINANCE

REQUEST FOR FEDERAL FUNDING FOR REHABILITATION OF SYDNEY STEEL PLANT—GOVERNMENT POSITION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Finance who, despite having been born in Ottawa, has his roots in Nouvelle-Écosse, New Scotland. In light of the statement of Premier Gerald Regan at St. Mary's University that rehabilitation of the Sydney steel plant cannot be accomplished without federal funding, which many of us have been saying for some time, may I ask the hon. gentleman if consideration is being given by the government along these lines, and further, has Premier Regan made a representation to the central government for financial assistance?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I had the opportunity of meeting Premier Regan at St. Mary's University and discussing with him this matter along with a number of other questions. My recollection—and I would have to refresh it—is that the Department of Regional Economic Expansion is participating in an analysis which is currently under way as to the future of the Sydney steel complex, and I do not believe at the moment that that has been completed. There is a full recognition, at this level of government, of the importance of that particular manufacturing facility for the economic future of Cape Breton Island, which, of course, is one of the most significant parts of this entire country.

* * *

REGIONAL ECONOMIC EXPANSION

REQUEST THAT MINISTER STUDY GOLDFARB REPORT

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. Has the minister reclassified any of the 12 confidential 1974 studies prepared for his department, and in particular the $22,000 Goldfarb study into the attitudes of people in the Atlantic provinces toward his department? If not, would the minister read and review the status of this report, as we requested him to do in the committee last year?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, as agreed when the committee sat last fall, I asked my officials to review what reports were classified as confidential. I hope to be soon in a position to reach a decision on making some of those reports public which it seems no longer have to be kept confidential. I trust I can then meet the request of the hon. member to a large extent.

[*English*]

INQUIRY WHETHER THERE ARE ANY PLANS FOR PORT OF PICTOU, NOVA SCOTIA

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is also to the Minister of Regional Economic Expansion. Further to our previous discussions, I wonder if the hon. gentleman can say whether DREE has any concrete plans or projects either by itself or in concert with other federal agencies in the province of Nova Scotia for development assistance for the port of Pictou in Nova Scotia?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, first of all I wish to thank the hon. member who gave me notice of his question. Today I asked for information to see exactly what was the situation. Unfortunately, since studies were carried out on the port of Pictou, it has been impossible to develop precise programs either with the provincial government or with the private enterprises which operate in this area, as regards the port itself.

The hon. member will certainly recall that, some time ago, a company which operates in the port of Pictou got assistance from our department. Unfortunately, I must admit that since then we have not received any requests for assistance in this area, although several companies of the Pictou area have submitted requests. However, I hope that the assistance which might be extended will give the port of Pictou a revival of activities.

[*English*]

COMMUNICATIONS

REQUEST FOR CORRECTION OF DEFICIENCY IN GOVERNMENT TELEPHONE SERVICE

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is to the minister in charge of the government telephone network. It arises from my conversation with the operator in the Montreal office of the government telecommunications agency this morning. She asked "where is the House of Commons?"

Some hon. Members: Oh, oh!

Mr. McCleave: Could the minister advise her?

Hon. Jeanne Sauvé (Minister of Communications): I would be glad to, Mr. Speaker.

* * *

HOUSE OF COMMONS

DATE OF PROCEEDING WITH BILL CONCERNING MEMBERS' SALARIES

Mr. Peter Elzinga (Pembina): Mr. Speaker, my question is for the government House leader. When the Prime Minister made his speech to the nation regarding the anti-inflation cuts by this government, one of the highlights of his announcement was the freezing of the salaries of members of parliament. Would the government House leader inform the House when he plans to proceed with Bill C-81, which in all probability is the only area in which the government plans to exercise any restraint?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I am very happy to learn of this support for the bill in its present form by the hon. member. I did not think there was any great urgency because our salaries have not been escalated by the 7 per cent, as provided for in the bill, so we are not spending any unnecessary money.

* * *

FISHERIES

USE OF REPLACEMENT COST AS BASIS FOR SETTLING STORM DAMAGE CLAIMS—GOVERNMENT POSITION

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I direct my question to the Minister of State (Fisheries). In negotiations between the province of New Brunswick and the government of Canada it is my understanding that representations have been made to have replacement cost as the guideline for compensation under emergency measures settlements with regard to damaged property. Will the minister support this principle, and will he present it as a proper term of settlement on behalf of the fishermen of that area?

● (1500)

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I have asked for some information on this. I am informed that the items are not eligible for inclusion if they are insurable—that is vessels and items of that type. However, for non-insurable items the intent of the assistance is to restore affected persons to predisaster conditions. I believe if the province wants to support this level they would not have any difficulty.

* * *

PUBLIC SERVICE

RUG RANKING OF SECRETARIES—GOVERNMENT ACTION TO CORRECT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the President of the Treasury Board. Has the government yet reached a decision to abolish the practice of rug ranking in the public service? In other words, will secretaries in the public service now be paid according to the work they do rather than in accordance with the status of the persons for whom they work?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, we intend to proceed in that direction. The subject is very complex and requires intensive analyses. We hope to reach a conclusion in the near future, while taking into account the budgetary restrictions which we must face.

[*English*]

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Will a decision be reached soon enough so that in the current negotiations between the Treasury Board and the ST's rug ranking will not apply?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I am not in a position to give that assurance to the hon. member.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. BROADBENT—MAILING OF INSERTS WITH OLD AGE PENSION AND FAMILY ALLOWANCE CHEQUES—RULING BY MR. SPEAKER

Mr. Speaker: Order, please. Yesterday the hon. member for Oshawa-Whitby (Mr. Broadbent) raised a question of privilege and I indicated at the time that I would give the matter 24 hours' consideration. I indicated that my preliminary assessment was that the problem was one of grievance with the actions of the ministry for including in the mailing out of family allowance and other departmental cheques some message from the Prime Minister (Mr. Trudeau)—that that was a question of grievance or disagreement with a course of conduct and ought to be a matter of airing the disagreement as a grievance or a matter of debate.

In examining the clear definition of my distinguished predecessor on questions of privilege, that was taken upon

a very narrow limit referring, of course, only to those actions which in some way directly interfere with the capacity of a member to carry out his functions as a member of this House. Accordingly, I must confirm the original assessment and indicate that in my opinion there does not seem to be a prima facie question of privilege.

* * *

[*Translation*]

ESTIMATES

SUPPLEMENTARY ESTIMATES (B), 1975-76

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I wish to present a message which Your Honour read to the House and by which His Excellency the Governor General is transmitting Supplementary Estimates (B) with regard to sums required for the service of Canada for the financial year ending March 31, 1976.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): Mr. Speaker, a few days ago the government indicated that they intended to proceed with the peace and security legislation next Monday. I wonder if the President of the Privy Council could tell us today what he contemplates in terms of government business for the balance of this week prior to the debate on the other legislation.

Mr. Sharp: Mr. Speaker, today we will continue with debate on second reading of Bill C-68. This will be the tenth day of debate on second reading, and I am hopeful it is now coming to a close. When it is completed, we will call a number of items on the order paper which I hope are not very controversial matters. We will call report stage of Bill C-61, the Senate amendments to Bill S-10, and the bill on motor vehicle tires, Bill S-8. There have been some changes in the arrangements for handling the administrative side under this bill, and I hope it will now receive quick assent. Then we will call Bill C-86, veterans' insurance. At a convenient time I am also ready to meet the convenience of members of the Progressive Conservative party on Bill C-82. If there is any problem about the timing of a vote on the completion of the debate on second reading of Bill C-68, we are quite ready to meet the convenience of opposition members.

Mr. Kempling: I rise on a point of order, Mr. Speaker. Regarding Bill S-8, if the President of the Privy Council could communicate to us the contemplated changes, it might expedite passage of this bill as we could discuss the changes with our people.

Mr. Sharp: Mr. Speaker, I shall be happy to do so.

[Mr. Speaker.]

SUPPLEMENTARY ESTIMATES (B), 1975-76

MOTION TO REFER TO STANDING COMMITTEES

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, pursuant to Standing Order 58(15) and Standing Order 59(1), I move, seconded by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand):

That the Supplementary Estimates (B) for 1975-76 tabled this day be referred to the several standing committees of the House as follows:

I understand a copy of the referrals has been given to the various representatives of the parties, so perhaps they could be taken as read. They are similar to the referrals of the main estimates.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's Note: The remainder of the motion reads as follows:*]

To the Standing Committee on Agriculture:
Agriculture Votes 5b, 15b, 20b, 40b and 50b

To the Standing Committee on Broadcasting, Films and Assistance to the Arts:
Communications Votes 16 and 15b
Secretary of State Votes 15b, 20b, L21b, 40b, 65b, 75b and 90b

To the Standing Committee on External Affairs and National Defence:
External Affairs Votes 1b, 10b, 20b, 25b and 30b
National Defence Votes 5b and L20b

To the Standing Committee on Finance, Trade and Economic Affairs:
Consumer and Corporate Affairs Vote 35b
Finance Votes 5b, 14b, L31b and 17b
Industry Trade and Commerce Votes 1b, 10b, L37b, 65b and 70b
National Revenue Votes 1b, 5b and 10b

To the Standing Committee on Fisheries and Forestry:
Environment Votes 1b, 5b, 15b, L23b, 25b, 35b and L40b

To the Standing Committee on Health, Welfare and Social Affairs:
Consumer and Corporate Affairs Vote 25b
National Health and Welfare Votes 1b, 25b, 46b and 50b
Urban Affairs Votes 1b, 15b, 25b and 40b

To the Standing Committee on Indian Affairs and Northern Development:
Indian Affairs and Northern Development Votes 5b, 10b, L23b, 25b, 35b, L62b and L80b

To the Standing Committee on Justice and Legal Affairs:
Justice Votes 1b, 15b and 25b
Solicitor General Votes 1b, 5b and 15b

To the Standing Committee on Labour, Manpower and Immigration:
Labour Votes 1b and 5b
Manpower and Immigration Votes 1b, 5b and 20b

To the Standing Committee on Management and Members Services:
Parliament Vote 5b

To the Standing Committee on Miscellaneous Estimates:
Finance Vote 15b
Privy Council Vote 25b
Supply and Services Votes 5b and 20b
Treasury Board Votes 10b and 20b

To the Standing Committee on National Resources and Public Works:
Energy, Mines and Resources Votes 1b, 5b, L16b, 20b, 25b and 70b
Public Works Votes 5b, 10b, 20b, 40b and 45b

To the Standing Committee on Regional Development:
Regional Economic Expansion Votes 25b and 31b

To the Standing Committee on Transport and Communications:

Transport Votes 1b, L3b, 10b, 30b, L56b, 62b, 63b, 85b, 86b, 88b, 92b, 99b, L101b and 102b

To the Standing Committee on Veterans Affairs:

Veterans Affairs Votes 5b, 10b, 30b and 45b

Mr. Speaker: Order, please. It being taken, with the announcement made earlier this day, that the said supplementary estimates be deemed to have been tabled by the President of the Treasury Board (Mr. Chrétien), the House has heard the motion on referral by the President of the Privy Council (Mr. Sharp), having made reference to the lists which have been circulated concerning those specific referrals. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: Agreed and so ordered.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,336, 3,880, 3,895, 3,954 to 3,959 inclusive, 3,983, 3,992, 3,997, 4,037, 4,066 to 4,069 inclusive and 4,113.

[*Text*]

EXPULSION OF DIPLOMATS

Question No. 3,336—**Mr. Clark:**

As of October 31, 1975, how many persons accredited as diplomats to Canada have been expelled from any other country and, in each case (a) who is the individual (b) by what country was that individual expelled (c) on what date did the expulsion occur (d) for what reason was that individual accredited as a diplomat to Canada?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): (a) The government has no information that any accredited diplomat in Canada on October 31, 1975 had been expelled from another country. (b) See answer to (a). (c) See answer to (a). (d) See answer to (a).

SUPPLY AND SERVICES—CONTRACT AWARDED TO WOODS GORDON & COMPANY

Question No. 3,880—**Mr. Beatty:**

1. Did the government award a $50,000 contract to Woods, Gordon and Company for development of a non-police mobile computer terminal and, if so (a) how was this contract advertised prior to being awarded (b) on what date is the Woods, Gordon study to be completed (c) to whom will it be made available (d) on what date was the contract awarded?

2. Were other bids received and, if so, in each case, in what amount?

3. What uses does the government expect that the non-police market will have for mobile computer terminals?

4. On what date will the government's study of specifications for a mobile computer terminal for police cars be completed?

5. Does the government expect to begin installing mobile terminals in police cars and, if so, on what date?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. The government has awarded a contract for approximately $50,000 to Woods, Gordon and Company. However, it was for a Study of the User Requirements for Mobile Radio Systems for the Non-Police Market, and not for the development of a Non-Police Mobile Computer Terminal. (a) Requests for proposal were sent to six companies considered capable of completing the tasks. (b) The Woods, Gordon Study was to be complete on or before December 31, 1975. (c) Subject to the deletion of confidential information and editing, the study will not be classified. After completion of the editing, the existence of the study will be made known probably by means of a trade press release and it will be available on request. (d) The contract was awarded on June 30, 1975.

2. Four proposals were received as follows: Price Waterhouse Associates, $48,000.00; Woods, Gordon and Company, $57,800.00; Kenneth Logan and Associates, $49,770.00; Bell Northern Research, $49,450.00. The prices indicated were estimates only, calculated by multiplying firm rates by estimated time, and the time estimates were not binding on the companies. The Woods, Gordon proposal was chosen following a joint evaluation conducted by the Science Procurement Officer of the Department of Supply and Services and the customer department Scientific Authority (Department of Communications), as the one offering the best overall value for the Crown and the price was negotiated downwards to $49,550.

3. The main users identified as being potentially interested in Mobile Radio Systems are, for example, taxis and courier services, telephone and gas utility repair trucks, transit vehicles, and railways. The uses this market will have for Mobile Radio Systems are the very object of the study.

4 and 5. refer to the police market and are not relevant to this contract. There is no information on this topic.

HABITAT

Question No. 3,895—**Miss MacDonald (Kingston and the Islands):**

1. Have papers been commissioned in connection with Habitat and, if so (a) what were they (b) how were the contracts tendered?

2. What is the cost to the government of such papers for (a) having them written (b) printing and distribution?

3. What is the expected date of publication of such papers?

4. What plans have been made for their distribution?

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): 1. No papers have been commissioned in connection with Habitat.

2. Not applicable.

3. Not applicable.

4. Not applicable.

Order Paper Questions

COMPANY TAKEOVERS

Question No. 3,954—**Mr. Nystrom:**

1. In the takeover of Comet Confectionery Ltd. of Ste. Hyacinthe, by Leonard Monhein AG of Aachen, West Germany, approved by the Foreign Investment Review Agency, what percentage of control will Leonard Monhein AG acquire?

2. What is the total and/or per share price of the transaction, including the value of share transfers or other considerations?

3. Who were the principal shareholders of Comet Confectionery Ltd. and what control, if any, will they retain in the company?

4. Who are the principal shareholders of Leonard Monhein AG and what are their holdings in the company?

5. Does Leonard Monhein AG control and/or partially own, directly or indirectly, any other businesses in Canada and, if so, in each case, what are the holdings by per cent of control and value?

6. What will be the effect of the takeover on (a) the level and nature of economic activity in Canada (b) resource processing in Canada (c) utilization of parts components, materials and services produced in Canada (d) exports from Canada (e) productivity, industrial efficiency, technological development, product innovation and product variety in Canada (f) competition within any industry or industries in Canada (g) employment within Comet Confectionery and within the industry?

7. (a) How many persons did Comet Confectionery employ before the takeover (b) how many are presently employed?

8. (a) What are the unions, if any, who represented the employees (b) did they approve or disapprove of the takeover (c) was their opinion sought?

9. What is the degree and significance of participation by Canadians in the business enterprise or new business and in any industry or industries in Canada of which the business enterprise or new business forms or will form?

10. How is the takeover (a) compatible (b) incompatible with national industrial and economic policies, taking into consideration industrial and economic policy objectives of any province likely to be affected by the takeover?

11. What is the significant benefit to Canada of the takeover?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Foreign Investement Review Agency, Department of Industry, Trade and Commerce is concerned: All information with respect to a person, business or proposed business obtained in the course of the administration of the Foreign Investment Review Act is privileged and may not be released except as provided in section 14 of that act.

COMPANY TAKEOVERS

Question No. 3,955—**Mr. Nystrom:**

1. In the takeover of Private Brands Beverages Ltd. of Mississauga, Ontario, by Cott Beverages Ltd. of Laval, Quebec a subsidiary of Cott Corp. of New Haven, Connecticut, which is controlled by National Industries of Louisville, Missouri, approved by the Foreign Investment Review Agency, what percentage of control will Cott acquire?

2. What is the total and/or per share price of the transaction, including the value of share transfers or other considerations?

3. Who were the principal shareholders of Private Brands Ltd. and what control, if any, will they retain in the company?

4. Who are the principal shareholders of National Industries and what are their holdings in the company?

5. Does National Industries control and/or partially own, directly or indirectly, any other businesses in Canada and, if so, in each case, what are the holdings by per cent of control and value?

6. What will be the effect of the takeover on (a) the level and nature of economic activity in Canada (b) resource processing in Canada (c) utilization of parts components, materials and services produced in Canada (d) exports from Canada (e) productivity, industrial efficiency, technological development, product innovation and product variety in Canada (f) competition within any industry or industries in Canada (g) employment within Private Brands and within the industry?

7. (a) How many persons did Private Brands employ before the takeover (b) how many are presently employed?

8. (a) What are the unions, if any, who represented the employees (b) did they approve or disapprove of the takeover (c) was their opinion sought?

9. What is the degree and significance of participation by Canadians in the business enterprise or new business and in any industry or industries in Canada of which the business enterprise or new business forms or will form?

10. How is the takeover (a) compatible (b) incompatible with national industrial and economic policies, taking into consideration industrial and economic policy objectives of any province likely to be affected by the takeover?

11. What is the significant benefit to Canada of the takeover?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): See reply to question 3,954.

COMPANY TAKEOVERS

Question No. 3,956—**Mr. Nystrom:**

1. In the takeover of Colorvision Rentals Ltd. of Toronto, wholly owned by Electronic Rentals Group Ltd. of London, by Granada TV Rental Ltd. of Rexdale, controlled by Granada Group Ltd. of London, approved by the Foreign Investment Review Agency, what percentage of control will Granada acquire?

2. What is the total and/or per share price of the transaction, including the value of share transfers or other considerations?

3. Who are the principal shareholders of Electronic Rentals Group Ltd. and what control, if any, will they retain in Colorvision Rentals Ltd.?

4. Who are the principal shareholders of Granada Group and what are their holdings in the company?

5. Does Granada Group control and/or partially own, directly or indirectly, any other businesses in Canada and, if so, in each case, what are the holdings by per cent of control and value?

6. What will be the effect of the takeover on (a) the level and nature of economic activity in Canada (b) resource processing in Canada (c) utilization of parts components, materials and services produced in Canada (d) exports from Canada (e) productivity, industrial efficiency, technological development, product innovation and product variety in Canada (f) competition within any industry or industries in Canada (g) employment within Colorvision Rentals and within the industry?

7. (a) How many persons did Colorvision Rentals employ before the takeover (b) how many are presently employed?

8. (a) What are the unions, if any, who represented the employees (b) did they approve or disapprove of the takeover (c) was their opinion sought?

9. What is the degree and significance of participation by Canadians in the business enterprise or new business and in any industry or industries in Canada of which the business enterprise or new business forms or will form?

10. How is the takeover (a) compatible (b) incompatible with national industrial and economic policies, taking into consideration industrial and economic policy objectives of any province likely to be affected by the takeover?

11. What is the significant benefit to Canada of the takeover?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): See reply to question 3,954.

COMPANY TAKEOVERS

Question No. 3,957—Mr. Nystrom:

1. In the takeover of H. Bernard (Canada) Ltd. of West Hill by Tonolli Co. of Canada., Mississauga, approved by the Foreign Investment Review Agency, what percentage of control will Tonolli acquire?

2. What is the total and/or per share price of the transaction, including the value of share transfers or other considerations?

3. Who were the principal shareholders of H. Bernard Ltd. and what control, if any, will they retain in the company?

4. Who are the principal shareholders of Tonolli Co. and what are their holdings in the company?

5. Does Tonolli Co. control and/or partially own, directly or indirectly, any other businesses in Canada and, if so, in each case, what are the holdings by per cent of control and value?

6. What will be the effect of the takeover on (a) the level and nature of economic activity in Canada (b) resource processing in Canada (c) utilization of parts components, materials and services produced in Canada (d) exports from Canada (e) productivity, industrial efficiency, technological development, product innovation and product variety in Canada (f) competition within any industry or industries in Canada (g) employment within H. Bernard Ltd. and within the industry?

7. (a) How many persons did H. Bernard Ltd. employ before the takeover (b) how many are presently employed?

8. (a) What are the unions, if any, who represented the employees (b) did they approve or disapprove of the takeover (c) was their opinion sought?

9. What is the degree and significance of participation by Canadians in the business enterprise or new business and in any industry or industries in Canada of which the business enterprise or new business forms or will form?

10. How is the takeover (a) compatible (b) incompatible with national industrial and economic policies, taking into consideration industrial and economic policy objectives of any province likely to be affected by the takeover?

11. What is the significant benefit to Canada of the takeover?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): See reply to question 3,954.

COMPANY TAKEOVERS

Question No. 3,958—Mr. Nystrom:

1. In the takeover of the flavour division of Liquid Carbonic Canada Ltd. owned by Houston Natural Gas Corp. of Houston by Liquid Flavour Associates of Canada Ltd., jointly owned by Universal Flavor Corp. of Indianapolis and Liquid Carbonic, approved by the Foreign Investment Review Agency, what percentage of control will Liquid Flavour Associates acquire?

2. What is the total and/or per share price of the transaction, including the value of share transfers or other considerations?

3. Who are the principal shareholders of Houston Natural Gas Corp. and how much control will they retain over the affairs of Liquid Flavour Associates?

4. Who are the principal shareholders of Universal Flavor Corp. and what are their holdings in the company?

5. Do (a) Houston National Gas Corp. (b) Universal Flavour Corp. control and/or partially own, directly or indirectly, any other business in Canada and, if so, in each case, what are the holdings by per cent of control and value?

6. What will be the effect of the takeover on the (a) level and nature of economic activity in Canada (b) resource processing in Canada (c) utilization of parts components, materials and services produced in Canada (d) exports from Canada (e) productivity, industrial efficiency, technological development, product innovation and product variety in Canada (f) competition within any industry or industries in Canada (g) employment within the flavour division of Liquid Carbonic and within the industry?

7. (a) How many persons did the flavour division of Liquid Carbonic employ before the takeover (b) how many are presently employed?

8. (a) What are the unions, if any, who represented the employees (b) did they approve or disapprove of the takeover (c) was their opinion sought?

9. What is the degree and significance of participation by Canadians in the business enterprise or new business and in any industry or industries in Canada of which the business enterprise or new business forms or will form?

10. How is the takeover (a) compatible (b) incompatible with national industrial and economic policies, taking into consideration industrial and economic policy objectives of any province likely to be affected by the takeover?

11. What is the significant benefit to Canada of the takeover?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): See reply to question 3,954.

COMPANY TAKEOVERS

Question No. 3,959—Mr. Nystrom:

1. In the takeover of Stewart Hall Co. of of Mississauga, Ontario, by Cott Beverages Ltd. of Laval, Quebec, a subsidiary of Cott Corp. of New Haven, Connecticut, which is controlled by National Industries of Louisville, Missouri, approved by the Foreign Investment Review Agency, what percentage of control will Cott acquire?

2. What is the total and/or per share price of the transaction, including the value of share transfers or other considerations?

3. Who were the principal shareholders of Stewart Hall Co. and what control, if any, will they retain in the company?

4. Who are the principal shareholders of National Industries and what are their holdings in the company?

5. Does National Industries control and/or partially own, directly or indirectly, any other businesses in Canada and, if so, in each case, what are the holdings by per cent of control and value?

6. What will be the effect of the takeover on (a) the level and nature of economic activity in Canada (b) resource processing in Canada (c) utilization of parts components, materials and services produced in Canada (d) exports from Canada (e) productivity, industrial efficiency, technological development, product innovation and product variety in Canada (f) competition within any industry or industries in Canada (g) employment within Stewart Hall Co. and within the industry?

7. (a) How many persons did Stewart Hall employ before the takeover (b) how many are presently employed?

8. (a) What are the unions, if any, who represented the employees (b) did they approve or disapprove of the takeover (c) was their opinion sought?

9. What is the degree and significance of participation by Canadians in the business enterprise or new business and in any industry or industries in Canada of which the business enterprise or new business forms or will form?

10. How is the takeover (a) compatible (b) incompatible with national industrial and economic policies, taking into consideration industrial and economic policy objectives of any province likely to be affected by the takeover?

11. What is the significant benefit to Canada of the takeover?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): See reply to question 3,954.

SOCIAL ASSISTANCE FOR TREATY INDIANS

Question No. 3,983—Mr. Neil:

1. How many Treaty Indians have left the reserve and entered the cities of (a) Vancouver (b) Prince George (c) Prince Rupert (d) Edmonton (e) Calgary (f) Prince Albert (g) Winnipeg (h) Kenora (*i*) Saskatoon (j) Toronto?

Order Paper Questions

2. How many Treaty Indians are on social assistance, either municipal, provincial or DIAND in the cities of (a) Vancouver (b) Prince George (c) Prince Rupert (d) Edmonton (e) Calgary (f) Prince Albert (g) Winnipeg (h) Kenora (i) Saskatoon (j) Toronto?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. This information is not available. The department does not record the place of residence of registered Indians who do not live on reserves.

2. The municipalities and provincial governments do not maintain a record of the number of persons who are registered Indians to whom they provide assistance. The department had a social assistance caseload of 456 in Edmonton, 210 in Calgary, 52 in Prince Albert, 150 in Winnipeg and 189 in Saskatoon. We did not have a social assistance caseload in Vancouver, Prince Rupert, Prince George, Kenora or Toronto. In those cities the provincial or municipal departments provided assistance to eligible Indian persons.

BOATS PURCHASED FOR ST-LAWRENCE ISLANDS NATIONAL PARK

Question No. 3,992—**Mr. Cossitt:**

1. What is the complete list of all boats purchased by Parks Canada in connection with the operation of the St. Lawrence Islands National Park since January 1, 1973 and, in each case (a) from whom was it purchased (b) what was the cost involved?

2. Are further purchases planned during the coming year and, if so, what is a description of each item?

3. Are any boats owned by Parks Canada at St. Lawrence Islands National Parks not painted with the usual Parks Canada colours and, if so (a) what boats are involved (b) for what reason (c) what are the names of persons operating such boats?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): 1. SLI 002, Boat Grew, Model SS180, used craft, 40E-2957, FIST 18141 September 18/73, $3,115.00, Huck Marine, Rockport; SLI 001, Boat Grew, model SS180, used craft, 40E-2956, FIST 18103 September 10/73, $3,115.00, Huck Marine, Rockport; 21299, Boat Grew, model SS245, 40E-3764, F4-245-137 May/75, $13,068.00, Huck Marine, Rockport; 21303, Boat Grew, model SS204, 40E3756, F6-204-134 May/75, new $9,175.00, Huck Marine, Rockport; 21304, Boat Grew, model SS204, 40E-3757-F6-304-127, May/75, new $9,175.00, Huck Marine, Rockport; 21305, Boat Grew, model SS204, 40E-3758, F6-204-140 May/75, (replacement) $9,175.00, Huck Marine, Rockport; 21442-1975-speed barge, fibre glass, 25-seat, 2-35 h.p. Johnson outboard 40E-4150, Aug/75, $19,250.00, Maritime Trans-Atlantic Ltd., Truro, N.S.

2. A request has been made by the superintendent to replace three Tri-ram hull craft which have proved unsuitable for the St. Lawrence river waters and and dangerous to staff due to rough ride. The replacement of these boats has not yet been evaluated.

3. Yes. (a) 3 Grew model SS204 and 1 Grew model SS245, 1 speed barge. (b) The above boats were required for service immediately after delivery and time did not permit painting of the hull with Parks Canada colours. All of the above boats will be painted this coming spring. Arrangements were made with a contractor in Brockville to paint the boats last summer but he did not arrive prior to the inclement weather. (c) The 3 Grew model SS204 were used by the following staff: Mr. Gord Hamre, Acting Chief Park Naturalist; Mr. A. MacDonald, Chief Park Warden; Mr. Jim Renynolds, Park Warden; Mr. Chris Kall, Park Warden; Mr. Phil Hammond, Park Warden; Mr. Doug Anions, Park Warden. The Grew model SS245 was used by Mr. A. D. Tremblay, Superintendent; Mr. P. L. Gates, General Works Manager; Mr. R. Martin, Foreman. The speed barge was operated by employees: Mr. George Hassey, Mr. G. Price, Mr. F. Ferguson, Mr. P. L. Gates.

ST. LAWRENCE ISLANDS NATIONAL PARK—FUSE OF GOVERNMENT OWNED BUILDING LINDSAY ISLAND

Question No. 3,997—**Mr. Cossitt:**

1. Is there a building located on government owned Lindsay Island in the St. Lawrence Islands National Park and, if so, what is the name and job designation of the person or persons who at any time occupied the building for accommodation purposes during 1975?

2. Was the building ever occupied or used in any way by the Superintendent of the St. Lawrence Islands National Park and, if so (a) on what dates (b) for what purpose?

3. (a) What is the identity of anyone occupying the permanent residence of the Superintendent at Mallorytown Landing during his absence (b) was any rental paid and, if so, what was the amount and to whom was it paid?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): 1. Yes. Mr. A. D. Tremblay, Superintendent, St. Lawrence Islands National Park and Mr. J. C. Christakos, Director, Ontario Region, Parks Canada.

2. Yes, the superintendent used the building on a number of occasions as a base for inspection of the island system. At all such times radio contact with his office was maintained. The superintendent also used the building for personal reasons on two occasions, May 24-25 and again on August 2-3. Compensation at normal daily rates in charged on each of these occasions.

3. (a) The permanent residence at Mallorytown has been occupied on a full time basis by the Superintendent of St. Lawrence Islands National Park. (b) Not applicable. (c) Not applicable.

HABITAT CONFERENCE

Question No. 4,037—**Mr. Beatty:**

Is the government providing aid of any kind to the Palestine Liberation Organization for the preparation of audio-visual material for the Habitat conference and, if so, what is the nature and amount provided?

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): The government is not providing aid of any kind to the Palestine Liberation Organization for the preparation of audio-visual material for the Habitat conference.

COMPANY TAKEOVERS

Question No. 4,066—**Mr. Nystrom:**

1. In the takeover of the assets of L.E. Welk Lumber Manufacturing Ltd. of Eganville, Ontario by Kaladar Planing Mills Ltd. of Tweed, Ontario, which is controlled by S.S. and S. Co. of Escanaba, Michigan, what percentage of control will S.S. and S. Co. acquire?

2. What is the total and/or per share price of the transaction, including the value of share transfers or other considerations?

3. Who were the principal shareholders of L.E. Welk Lumber Manufacturing Ltd. and what control, if any, will they retain in the company?

4. Who are the principal shareholders of Kaladar Planing Mills Ltd. and what are their holdings in the company?

5. Does S.S. and S. Co. control and/or partially own, directly or indirectly, any other businesses in Canada and, if so, in each case, what are the holdings by per cent of control and value?

6. What will be the effect of the takeover on (a) the level and nature of economic activity in Canada (b) resource processing in Canada (c) utilization of parts, components, materials and services produced in Canada (d) exports from Canada (e) productivity, industrial efficiency, technological development, product innovation and product variety in Canada (f) competition within any industry or industries in Canada (g) employment within L.E. Welk Lumber Manufacturing Ltd. and within the industry?

7. (a) How many persons did L.E. Welk Lumber Manufacturing Ltd. employ before the takeover (b) how many are presently employed?

8. (a) What are the unions, if any, who represented the employees (b) did they approve or disapprove of the takeover (c) was their opinion sought?

9. What is the degree and significance of participation by Canadians in the business enterprise or new business and in any industry or industries in Canada of which the business enterprise or new business forms or will form?

10. How is the takeover (a) compatible (b) incompatible with national industrial and economic policies, taking into consideration industrial and economic policy objectives of any province likely to be affected by the takeover?

11. What is the significant benefit to Canada of the takeover?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): See reply to question 3,954.

COMPANY TAKEOVERS

Question No. 4,067—**Mr. Nystrom:**

1. In the takeover of certain assets of Gold Star Sales Ltd. of Montreal, Quebec, a wholly owned subsidiary of Cadence Industries Corp. of West Caldwell, New Jersey by Thank you Stamp Company Ltd. of Toronto, a subsidiary of Gold Bond Company Ltd. of Toronto, which is wholly owned by Carlson Companies Inc. of Minneapolis, Minnesota, what percentage of control will Carlson Companies Inc. acquire?

2. What is the total and/or per share price of the transaction, including the value of share transfers or other considerations?

3. Who were the principal shareholders of Cadence Industries Corp. and what control, if any, will they retain in the company?

4. Who are the principal shareholders of Carlson Companies Inc. and what are their holdings in the company?

5. Does Carlson Companies Inc. or Cadence Industries Corp. control and/or partially own, directly or indirectly, any other businesses in Canada and, if so, in each case, what are the holdings by per cent of control and value?

6. What will be the effect of the takeover on (a) the level and nature of economic activity in Canada (b) resource processing in Canada (c) utilization of parts, components, materials and services produced in Canada (d) exports from Canada (e) productivity, industrial efficiency, technological development, product innovation and product variety in Canada (f) competition within any industry or industries in Canada (g) employment within Gold Star Sales Ltd. and within the industry?

7. (a) How many persons did Gold Star Sales Ltd. employ before the takeover (b) how many are presently employed?

8. (a) What are the unions, if any, who represented the employees (b) did they approve or disapprove of the takeover (c) was their opinion sought?

9. What is the degree and significance of participation by Canadians in the business enterprise or new business and in any industry or industries in Canada of which the business enterprise or new business forms or will form?

10. How is the takeover (a) compatible (b) incompatible with national industrial and economic policies, taking into consideration industrial and economic policy objectives of any province likely to be affected by the takeover?

11. What is the significant benefit to Canada of the takeover?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): See reply to question 3,954.

COMPANY TAKEOVERS

Question No. 4,068—**Mr. Nystrom:**

1. In the takeover of Ferguson Supply Ltd. of Alberta and its subsidiary Arctic Terex of Hay River, Northwest Territories by Midco Equipment of Tennessee, controlled by Mid-Continent Supply Co. of Fort Worth, Texas, which is wholly owned by Kendavis Industries International Inc. of Texas, what percentage of control will Midco Equipment acquire?

2. What is the total and/or per share price of the transaction, including the value of share transfers or other considerations?

3. Who were the principal shareholders of Ferguson Supply Ltd. and what control, if any, will they retain in the company?

4. Who are the principal shareholders of Midco Equipment and Kendavis Industries International and what are their holdings in the company?

5. Does Midco Equipment and Kendavis Industries International control and/or partially own, directly or indirectly, any other businesses in Canada and, if so, in each case, what are the holdings by per cent of control and value?

6. What will be the effect of the takeover on (a) the level and nature of economic activity in Canada (b) resource processing in Canada (c) utilization of parts, components, materials and services produced in Canada (d) exports from Canada (e) productivity, industrial efficiency, technological development, product innovation and product variety in Canada (f) competition within any industry or industries in Canada (g) employment within Ferguson Supply Ltd. and Arctic Terex and within the industry?

7. (a) How many persons did Ferguson Supply and Arctic Terex employ before the takeover (b) how many are presently employed?

8. (a) What are the unions, if any, who represented the employees (b) did they approve or disapprove of the takeover (c) was their opinion sought?

9. What is the degree and significance of participation by Canadians in the business enterprise or new business and in any industry or industries in Canada of which the business enterprise or new business forms or will form?

10. How is the takeover (a) compatible (b) incompatible with national industrial and economic policies, taking into consideration industrial and economic policy objectives of any province likely to be affected by the takeover?

11. What is the significant benefit to Canada of the takeover?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): See reply to question 3,954.

COMPANY TAKEOVERS

Question No. 4,069—**Mr. Nystrom:**

1. In the takeover of Reed Tool Company of Canada of Edmonton, a wholly owned subsidiary of Reed Tool Company of Houston, Texas by Baker Oil Tools Inc. of Orange, California, what percentage of control will Baker Oil Tools Inc. acquire?

2. What is the total and/or per share price of the transaction, including the value of share transfers or other considerations?

Order Paper Questions

3. Who were the principal shareholders of Reed Tool Company of Houston and what control, if any, will they retain in the company?

4. Who are the principal shareholders of Baker Oil Tools Inc. and what are their holdings in the company?

5. Does Baker Oil Tools Inc. or Reed Tool Company control and/or partially own, directly or indirectly, any other businesses in Canada and, if so, in each case, what are the holdings by per cent of control and value?

6. What will be the effect of the takeover on (a) the level and nature of economic activity in Canada (b) resource processing in Canada (c) utilization of parts, components, materials and services produced in Canada (d) exports from Canada (e) productivity, industrial efficiency, technological development, product innovation and product variety in Canada (f) competition within any industry or industries in Canada (g) employment within Reed Tool Company of Edmonton and within the industry?

7. (a) How many persons did Reed Tool Company of Edmonton employ before the takeover (b) how many are presently employed?

8. (a) What are the unions, if any, who represented the employees (b) did they approve or disapprove of the takeover (c) was their opinion sought?

9. What is the degree and significance of participation by Canadians in the business enterprise or new business and in any industry or industries in Canada of which the business enterprise or new business forms or will form?

10. How is the takeover (a) compatible (b) incompatible with national industrial and economic policies, taking into consideration industrial and economic policy objectives of any province likely to be affected by the takeover?

11. What is the significant benefit to Canada of the takeover?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): See reply to question 3,954.

CANADIAN RED CROSS—BLOOD DONORS CLINICS IN CANADA

Question No. 4,113—**Mr. Matte:**

1. Did the Canadian Red Cross hold Blood Donor Clinics in Canada in 1974-75 and, if so, on how many occasions?

2. How many blood bottles have been collected from the various blood groups?

3. Has the Canadian Red Cross exported blood to foreign countries and, if so (a) in what quantities (b) to which countries (c) at what price?

Hon. Mitchell Sharp (President of the Privy Council): The subject matter of the question does not fall within the administrative responsibility of the government of Canada.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 4,074 could be made an order for return, this document could be tabled immediately.

[*Text*]

GOVERNMENT GRANTS IN CONSTITUENCY OF ROBERVAL

Question No. 4,074—**Mr. Gauthier (Roberval):**

Has the Department of Manpower and Immigration granted any funds in the Constituency of Roberval under the (a) Local Initiatives (b) Opportunities for Youth (c) LEAP programmes and, if so, in each case, what was the (i) amount granted (ii) nature of the project (iii) municipality involved since the beginning of the grants up to and including 1975?

Return tabled.

[*English*]

Mr. Blais: Mr. Speaker, I ask that the remaining questions be allowed to stand.

GOVERNMENT ORDERS

[*English*]

MEDICAL CARE ACT

AMENDMENT TO LIMIT ANNUAL INCREASE IN PER CAPITA COST OF INSURED SERVICES UNDER MEDICAL CARE PLANS

The House resumed, from Friday, February 27, consideration of the motion of Mr. Lalonde that Bill C-68, to amend the Medical Care Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Bob. Kaplan (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I had taken the floor at the conclusion of the business of the House last Thursday and I want to review briefly the points I made at that time. I have listened to all the arguments in the entire debate which have been put forward by members of the opposition. I insist again, on behalf of the government, that you can have restraint in the growth of health care services of Canada without impairing the system. Indeed, if there is not restraint in the further growth of the health care system, that lack of restraint will lead to impairment of the system. It is important to ensure, now that the health care program has had since 1967 to develop, that it is not permitted to grow in future at a rate far exceeding the growth of the national product of Canada.

● (1510)

In the early years of the program, from the time it was introduced in 1967, we wanted it to grow rapidly. Its growth was a measure of the fact that millions of Canadians before had not been receiving adequate health care. Those Canadians were participating in the socialized health system being provided for the people of Canada. But tremendous increases in the program cannot be permitted to continue year after year, and it is certainly no act of bad faith on the part of the government of Canada, after the program has been allowed to mature, as it has been, to assert a ceiling on the future rate of increase of that program.

The Conservative party here in the House has been embarrassed by the recognition of these facts by other levels of government. For example, William Davis, Premier of Ontario, has had to recognize the reality that no program, not even one as important as health care, can be allowed to grow at an indefinite rate. He said to the Conservative convention held recently:

The economic condition of this country demands men and women of foresight, courage and sensitivity in the highest of offices. It demands of political parties the highest level of unity, commitment and purpose. The courage to reduce government expenditures has never been more necessary.

Referring to medicare, the Conservative Premier of Ontario went on to say:

In the area of health care, a matter of national concern, we in Ontario have taken the view that no province, no careful and thoughtful society, can afford a system that expands more quickly in terms of cost than that society's ability to pay.

In simple terms, that means that if we allow the health care system, the system providing health services for the needy, for the population as a whole, for the old, the feeble and those who cannot help themselves, to become more expensive than taxpayers can afford, the system will collapse. If it does, only the rich and advantaged will obtain care. We must seek to streamline the system, not because we want to but because concern for the welfare of all served by the system says that we must.

Without doubt, we must restrain the rate of growth of the health care system. Interest groups affected have agreed that the proposed participation rate of 13 per cent, or 14.5 per cent, depending on the figures you take, for the coming fiscal year is reasonable. They do not oppose second-year figures. As for the third year, the minister said he would discuss this matter when this bill is referred to committee which, hopefully, will be today.

I also want to deal with the accusation made by several hon. members that the government is trying to destroy the federal-provincial partnership in medicare through an alleged unilateral action in imposing ceilings under Bill C-68. When the proposed ceilings on medicare were announced in the June budget, the minister reassured provincial colleagues that the federal government intended to remain full a partner in medicare. We are not asserting that we want the provincial half of this partnership to bear any proportionate increase in costs; we are asking the provinces also to restrain costs so that both sides can remain within the ceiling proposed. A true federal-provincial partnership in the health care field in Canada is essential, and that includes sharing in the consultation and planning process as well as in the costs of implementing programs.

As far as the federal-provincial partnership is concerned, it is evident that the federal government has been an equal partner with the provinces where sharing costs is concerned; but the federal government has not had an equal say in decisions affecting the costs of these programs. For example, the federal government has rarely, if ever, been consulted on the number and distribution of hospital beds which a province intended to build into its health care systems; nor were we, in Ottawa, usually informed if a new hospital was to be built, although we were expected to cost-share the ongoing operational costs the moment the doors were opened.

Similarly, Ottawa has not been consulted about wage and salary settlements or fee increases granted in recent years by provincial hospital and medical care programs, although it would certainly have been a courtesy to consult an equal partner about such important actions which would be bound to make ripples extending far beyond the single province engaged in negotiations at a particular time.

The communiqué issued at the last conference of provincial ministers' meeting in August stated:

A fair sharing of costs is fundamental to the maintenance and improvement of health services in Canada.

With that statement no one can disagree. But I do not subscribe to the view that whatever decisions they make should automatically entail federal sharing. That would simply be the equivalent of saying that provincial legislatures, rather than the national parliament, should control the level of taxes to be paid by Canadians no matter where they live. I do not believe—nor, I am sure, do you—that decisions made by one provincial legislature should automatically decide the level of taxes which must be paid by residents of another province, whether or not they subscribe to or participate in the action. Only the federal government has responsibility on behalf of all Canadians. This is the only level of government which has responsibility for all.

The introduction of ceilings under the Medical Care Act is a responsible action to help to check inflation which, if allowed to continue unchecked, would jeopardize the country's ability to maintain these essential programs and thus would have done more to damage the federal-provincial partnership than any annoyance the provinces may have felt when the budgetary measures were introduced. I completely agree with hon. members opposite, that this partnership is essential to ensure a national minimum standard of service for all Canadians regardless of the province in which they live.

In the Ontario budget announced before the anti-inflation program it was estimated that medicare costs would rise in the three fiscal year 1976-77, 1977-78 and 1978-79 by 22.6 percent, 20.7 per cent and 18.6 per cent respectively. Surely the Ontario government could not have been complacent at such a prospect. Quite clearly, if similar trends were to occur at the national level they could only be met at the expense of other sectors in the economy and to the serious detriment of other essential priorities. Such a rate of growth in costs would be irresponsible. Think of the effect in less affluent provinces.

When the hon. member for Athabasca (Mr. Yewchuk) was reading from replies he had received from provincial health ministers, he did not mention complaints that we have received from many of the ministers regarding the major problems which result when one province unilaterally gives large wage and salary increases. The other provinces often have problems meeting their share of increased costs under the present arrangement. The federal government is proposing the ceilings both on behalf of the provinces and the federal treasury so that there can be some prediction of cost behaviour to protect the poorer provinces.

If a precedent is set, the "domino" effect carries it across the country. The very large wage and salary increases recently given to the hospital sector in Ontario and British Columbia—for example, in Ontario the 50 per cent increase in nurses' salaries over 18 months in 1974-75, with another substantial increase to come in 1976—put great pressure on the other provinces for matching increases which they cannot afford. No wonder health costs in Ontario and Canada started to rise very rapidly. The wealthier provinces must accept a heavy responsibility. Positive restrain-

ing action had to be taken, and the federal government has moved in a responsible manner in relation to its options.

● (1520)

The federal government wants a firm commitment from the provinces indicating what their intentions are over the next five years or so in relation to the hospital and medical fields. We must know what the financial needs will be if we are to be in a position to put more money into the system for lower—cost, alternative methods of service. The federal government cannot put additional money into the system without knowing the long term plans of the provinces.

You will recall, Madam Speaker, that on the last day there was considerable criticism of the federal government for the hospital closing program embarked upon by the Ontario government. I had begun to make the point that hospital costs are not part of the medicare program or of this bill. The federal government has an agreement which requires five years notice on termination, until which it is bound to underwrite half the cost of the hospital program of the provinces of Canada. Whether a particular province increases its hospital bills beyond the 13.5 per cent or within the 13.5 per cent, none of that is relevant to the federal government's responsibility to it. That comes entirely under a different statute.

I must stress that the closure of these hospitals was not in any way related to Bill C-68 but was due to the general economic situation and the fact that the provinces felt they could not justify the costs of maintaining these underutilized and improperly used facilities when there were ample vacant beds in the same general area. I remind hon. members it has not been the practice of provincial governments to consult Ottawa when creating additional hospital facilities. On behalf of the taxpayers of Canada we have paid our share under the agreement. However, we were not consulted by the provinces as to whether the hospital beds were needed. Many are now being found to be not needed and are being closed down.

I would like to repeat that Bill C-68 contains a feature which would facilitate the introduction by provinces of low-cost alternatives to expensive hospital care. Everyone concedes that there are patients in general hospitals who do not need to be there and who would not be there if they could obtain the care that they need as an insured benefit in another way. This point was made by the hon. member for Sault Ste. Marie (Mr. Symes). He called on us to recognize that low-cost alternatives ought to be provided if we expect high-cost hospital beds to be closed. If he had looked at the statute, he would have seen that provision is made for continued growth in the area of low-cost alternatives. Certain members who have looked at that aspect of the legislation have commended the government for it.

Section 4, subsection 3 of the original Medical Care Act was deliberately introduced in order to permit the government to introduce additional benefits under the medical care program without submitting the act to parliament for amendments each time. However, the disadvantage in using the act as presently constituted is that the cost of such additional services would go into the main national per capita under the act and provinces would benefit from this whether or not they had introduced the new insured services.

[Mr. Kaplan.]

Furthermore, provinces not making these new services available on a universal basis to the population would be able to continue to cost-share them under the Canada Assistance Plan. This would have the effect of providing them with the benefit of double-sharing on the one hand at the expense of the provinces which were introducing these services on the other. Quite obviously, this would be an undesirable feature and in fact would be counterproductive to encouraging a rationalization of the health care system through the introduction and expansion of lower-cost services.

Accordingly, a new mechanism has been devised to ensure that any increases in the federal contributions in respect of new insured services will go only to those provinces providing the new services on a universal basis to their residents. Specifically, the modifications provide for a separate national per capita for each class of new insured service if and when such classes are added. The separate per capitas will simplify cost accounting of the respective services and ensure that each cost package will be used to calculate the federal contribution for only those provinces whose costs contribute to the separate national per capita.

I want to conclude at this point. I do so in the earnest hope that hon. members will see fit to send this bill today to the committee responsible for its consideration, to cross-examine the minister and the officials. May I urge on them that the bill has a time limit which has to come into effect by the end of this month, and that the ten days of debate which have already taken place on second reading are adequate. I would say it is more than adequate, but surely hon. members would agree it is adequate. We have had pressure particularly from speakers put forward by the New Democratic Party, a party with an important voice and great interest in medicare. However, surely at this point the members of that party will concede that they have had their say and that prolonged delay and use of our rules to prevent this measure being proceeded with can only be taken by the people of Canada as an effort by a small party to block a measure which, in the view of the government, is very much in the interests of Canadians.

To my Conservative friends opposite, let me urge them not to take the government's advice on this matter but to be guided by the statement of the Premier of the province of Ontario who put the matter very well at their national convention. Some restraint is in order. It is a reasonable restraint. In fact, it is a measured increase. It is an increase which, after consultation with the industry, is generally considered to be acceptable. Let this bill go forward to committee and let us get on with the other very urgent bills that are before us.

Mr. Andrew Brewin (Greenwood): Madam Speaker, I was impressed with the moving appeal we just heard from the parliamentary secretary. I cannot help noting, however, that as parliamentary secretary he is particularly well informed and used his whole 40 minutes. I intend to use far less than half of that time to put forward the point of view of my party.

Normally speaking, I am very much against prolonged debates. I would like to see the time limit on all debates cut down except in very exceptional circumstances. Except where ministerial statements are being made, I would like to see them cut to 20 minutes. When that happens, I will be glad to abide by the rules. Indeed, I am practising already for the day, which I hope is coming soon, when we will have shorter speeches in the House.

Some hon. Members: Hear, hear!

Mr. Brewin: I spoke on this bill on second reading, but I only spoke for about 15 minutes at that time. Adding my two speeches together, I am well within the rule I put forward. Normally I would not speak a second time, but I do not think this is a normal bill and I do not think these are normal circumstances. Members of my party are deeply concerned about what they regard as an important breach of principle involved in this bill. Therefore we are using the rules of the House as they exist at present to make sure that the Canadian people become aware of what this legislation is doing. It is a bill which affects many people across Canada; it affects them today and it will do so in the future.

● (1530)

For me and for members of my party, this bill signals the abandonment of a vision of which parliament and the people have reason to be proud. I refer to the vision of adequate health services as an unalienable right of all the people of Canada. To make this vision into reality is was necessary for the federal parliament to assume a substantial and stable share of the cost of such a scheme as medicare, especially so that provinces with smaller revenues might be able to embark upon such programs knowing where they stood. The objection we have to this bill is that it renders the federal contribution unstable. It is true that it does not provide for an over-all reduction at the present, but it does provide for the gradual lessening of the percentage of the contribution.

Assuming there is a continuation of inflation in medical costs as in other fields, which seems to be a reasonable premise, we gradually find the percentage contributed by the federal government to medicare becoming smaller and smaller. There is also the threat to other federal contributions to similar services; for example, hospital and diagnostic services. I know the parliamentary secretary explained earlier in the debate that the bill before us does not specifically refer in any way to hospital and diagnostic services, but is all part of a pattern which became evident when the former minister of finance announced the termination of the agreement to provide 50 per cent of these costs. So a burden is placed on the provinces and it is all really part of the same field though these services come under different acts, that is to say, the field of provisions of medical services to the people.

We believe this program should be advancing instead of being cut back, and we regret the failure of the government to press forward with discussions with the provinces over the $2 billion worth of services the provinces have provided by way of pharmacare, homecare and other things. The provinces are providing 100 per cent of the costs of these extra services and they look to the federal government to assist. But as far as I can ascertain, discussions are stalled. This is utterly false economy.

People sometimes ask, "If you say this is false economy, where would you make cuts?" I do not intend to discuss that aspect in detail but I do suggest that there are other places which it would be far better to examine, with economy in mind, than the medical services provided to our people. Take defence expenditures, for example. We are proposing to spend $1 billion on the purchase of patrol aircraft from Lockheed. I am informed that these are unnecessarily sophisticated aircraft bearing in mind the patrolling task for which they are needed. I may be wrong, but when you talk about $1 billion of expenditure, and when you are dealing with a company which has sufficient surplus funds to throw around in bribery—

The Acting Speaker (Mrs. Morin): Order. I would remind the hon. member that we are considering Bill C-68, which relates to the Medical Care Act, and I would ask that he limit his comments to that bill.

Mr. Brewin: Perhaps you did not follow the direction of my remarks, Madam Speaker. It is the purpose of this bill to cut down medical expenses, and it has frequently been stated in this debate that if expenditures are not cut in this field they will have to be cut somewhere else. I am suggesting to the government that it consider cutting expenditure in other fields so that it might not be necessary to make the economies proposed in the bill before us.

I have always been amazed by the interpretation of "relevance" in relation to debates that go on in this chamber. I frankly admit that I have heard many things said in this House whose relevance to the subject under discussion I could not, by any stretch of the imagination, grasp. In this particular case, I believe the points I am making affect the passage of this legislation because the purpose of the bill before us is to curtail medical services in order to effect economy. It is surely relevant to point out—I shall not do so in detail—that there are other fields in which economies might be made. On the shelf now— again, this is an example from the defence field—are proposals to spend large sums of money on a fleet of interceptors far beyond what is needed for defence purposes, at least that is my opinion, and I suggest that this is where we should be looking for savings.

The next point I wish to make has been made before but I emphasize it because of its importance. The bill before us is a blow at Canadian unity. Canadian unity does not just mean symbols of unity, though no doubt symbols are important. A flag is important, an anthem is important, other things are important as symbols of unity. But working together through a program such as medicare to secure equal services, for all the people of Canada, irrespective of the province in which they live, is more than just a symbol of unity; it is the very building of unity in this country. I find that when it comes to cutbacks, to axes applied for reasons for economy, that they fall not on unnecessary luxuries but on things which are basic necessities for ordinary people. I cannot imagine any more important thing for making life livable for Canadians than the provision of adequate health services.

As I mentioned before, I am not one who favours prolonged debate, but I want to make clear to the House how

deeply we feel about this particular measure. I hate to admit to this group of younger people around me that I have been an active member of the NDP, and before that of the CCF, for more than 40 years. During the whole of those 40 years one of our major objectives was to secure adequate health services for all the Canadian people. We do not want to be found giving all that up if we can possibly preserve it. We have fought for it, and fought successfully.

I pay tribute to the former premier of Saskatchewan, my hon. friend for Nanaimo-Cowichan-The Islands (Mr. Douglas), who personally played a major role in getting this service for us. Holding these views, it is only natural that we should object to any proposal which seems to be undermining the work objectives, a work for which the government party has itself claimed—and not without reason—considerable credit in the past as being the architects of this particular plan.

● (1540)

I think the solution to the problem is to be found in a speech made by my leader, the hon. member for Oshawa-Whitby (Mr. Broadbent), on October 1 last in Moose Jaw. In his speech he made reference to the best way to cut down expenditures, which is by providing preventive services. If you can prevent illness, eventually you cut down medical costs. My leader had this to say:

> Just prior to the last federal election, the Department of Health and Welfare published a document entitled—A New Perspective on the Health of Canadians. What this document on health emphasized was that if our health standards were to be improved and in the long run made less expensive, we would have to expend more of our money and other resources on preventative medicine, rather than coming in at the last minute and trying to repair the damage long after it has been done.
>
> Sounds like a sensible approach, doesn't it? Don't wait until a man is half dead from lung cancer as a result of inhaling asbestos fibres every day at work and then try to lengthen his life with surgery. Diagnose his condition early through the use of community health centres staffed to provide this service; treat him; and remove the source of the polluted air.
>
> This is not an original idea on the part of the federal government. Saskatchewan has long been saying to the federal Liberals that Canadians need more health facilities, not less, and that it is less expensive to catch disease at an early stage, and treat it in health centres or convalescent homes where the costs per bed are not as high as in acute treatment hospitals.

I want to conclude my remarks by making reference to what Senator David Croll has said. As far as I have known him over the years, he has been a member of the Liberal party. When this bill was announced last July he had this to say, and I adopt his words as a summary of the attitude I take and that I think we should all take:

> It is wrong in concept; it is divisive in practice and in my opinion it is wrong, wrong, wrong, a thousand times wrong. As far as I am concerned these matters are sacrosanct.

Senator Croll and I happen to agree on this particular point. He was brought up with that brand of Liberal who believes that medicare services on a universal scale, supported by the federal government making a stable contribution to the expenses, was the very basis of Canadian unity. He put it much more eloquently than I could. The reason the parliamentary secretary finds us speaking in this debate a little longer than he wants is our very firm conviction which we have that this bill is a retrograde, unfortunate and backward move that will be bad for the people of Canada, bad for their health and bad for the unity of Canada.

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, after listening to the speech of the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Kaplan) I think I should change the remarks I had intended to make in opening my speech in this debate. In view of comments I have heard from other members on that side of the House, I was very surprised to hear the parliamentary secretary say that he agrees in principle with the action taken by the province of Ontario in closing some hospitals in line with their restraint program. I should like to draw the attention of the House to a question that was asked on February 27 by the hon. member for Bruce-Grey (Mr. Douglas). As reported at page 11319 of *Hansard,* he asked the following:

> Mr. Speaker, my question is for the Minister of National Health and Welfare. Whereas the announcement on Thursday of last week of the closing of Clinton community hospital brought to ten the number of closures by the government of Ontario, and apparently finalized closures for this time, and whereas at least four of those ten hospitals are in western Ontario and all are in rural areas where transportation and adverse weather conditions combine to inflict severe hardships on residents of those areas concerned, will the minister consider withholding from the federal government's health plan contributions to the province of Ontario the supposed $50 million that the closings are slated to save and use that money as direct payment to the hospitals closed, so that they may continue to provide valuable and economical health services now being provided?

We now have a complete reversal on the part of the parliamentary secretary. He is pleading with hon. members on this side of the House to quit speaking on a bill that we consider very crucial not just for the people of Ontario but for people all across Canada. The province of Ontario was persuaded—I could use stronger terms—to enter into medicare in 1969 in order that the rest of the less fortunate provinces could receive medicare as well. To hear the parliamentary secretary make the plea he has just made leaves me somewhat confused. However, if I may continue my remarks—

The Acting Speaker (Mrs. Morin): Order, please. The parliamentary secretary is rising on a question of privilege.

Mr. Kaplan: In view of what the hon. member says, Madam Speaker, may I make it clear that each province has its own problems and has to find its own solutions to those problems. My remarks should not be taken to reflect upon particular hospital closings or non-closings. I simply reiterate that the principle of restraint in program increases is one that this government certainly supports.

The Acting Speaker (Mrs. Morin): That is far from a question of privilege. The hon. member for Victoria-Haliburton (Mr. Scott).

Mr. Scott: Thank you, Madam Speaker. I thought I had made myself clear in my earlier remarks. Like most of my colleagues, I have to say that I did not expect to have to stand in this House and defend a program that has become so much a part of the social fabric of our country. Medicare and hospital insurance are too deeply entrenched in our society for us even to discuss whether they should be reduced in scope. What we really should be discussing today is how we, the provinces and the federal govern-

ment, can improve, rather than curtail, medicare and hospital services.

While the federal government maintain that Bill C-68 holds the line on federal participation in medical and hospital cost-sharing, it actually amounts to a reduction in the federal government's participation. When you consider, Madam Speaker, the effect of inflation, the increased demand for medical services and the increased cost of labour, the provinces will be expected to absorb the lion's share of the cost of what is called a federal-provincial cost-sharing program.

● (1550)

It is an established fact that the cost of the medicare program has increased at as fast a rate as the cost of any other services in Canada, yet for some strange reason medicare has been made the whipping boy in the government's so-called austerity program. In effect, the federal government has reduced the size of the Prime Minister's personal staff by three or four positions and put the brakes on medicare. That seems to be the sum and substance of its efforts to hold the line on federal spending.

The plain fact is, when you consider that the increase in government spending for the coming fiscal year could run between 20 per cent and 25 per cent when the supplementary estimates are added to the revised estimates, any talk of restraint has to be taken with a grain of salt. When I think of the heavy fine levied against the Irving Pulp and Paper Company because it dared to award a wage settlement to its workers that exceeded 8 per cent, I have to ask whose example we should really be following. The Prime Minister (Mr. Trudeau) is saying, in effect, "Don't do as I do, but do as I say". We are told that the ceiling on federal participation in medicare and hospital insurance is to be imposed for only two years, but based on this government's record of broken pledges with the provinces there is no way we can be sure of what will happen next.

The worst effect of this cutback in federal sharing in medicare will, of course, be directed against medical and hospital services in the various provinces, especially those provinces that do not have the resources that we have in Ontario. However, another thing that concerns me is the possible effect it will have on all other federal-provincial cost-sharing programs. In these matters there must be a large degree of mutual trust, and as things are going at present that trust is being eroded by unilateral federal decisions.

As some of my colleagues have said before me, Mr. Speaker, Ontario was drawn into the medicare and hospital insurance programs. We in this province had our own medicare and hospital programs before the federal government got into the act. What has not been stated before is that we were blackmailed into joining the federal program. Since that time Ontario has had to absorb an increasingly larger percentage of the cost of a program that was supposed to be a 50-50 arrangement.

In 1969, Ontario was invited to join the federal program, but the premier of that time was satisfied that we could go it alone and do a better job of providing these services at a lower cost to the taxpayers of Ontario. Ontario asked to be allowed to go it alone, but the federal government came back with a counter proposal: we would be allowed to operate our own medicare program but the federal government would impose a tax on Ontario residents to help pay the cost of the federal program. In the first year of such an arrangement, Ontario taxpayers would have to pay for their own program and in addition would pay the federal government $225 million. As the cost of the federal program increased, Ontario residents would pay more to support the program. In the meantime, it must be expected that our own provincial program costs would rise, so there was no way that we could win: we could only lose—and that was blackmail, pure and simple.

The formula established for Ontario, after we were forced into the federal program, was a complicated one designed to reduce the amount of federal participation in what was supposed to be a straightforward 50-50 arrangement. The formula was tied to the average growth of the gross national product and, as we all know, the GNP has not been rising at anything like the projected rate of growth. For instance, in the case of hospital insurance—which is considered the high-cost area—the federal participation was 25 per cent of the national average, plus 25 per cent of actual cost. It worked out to an actual federal participation in shared costs which was below the actual costs of operating the program. Instead of receiving 50 per cent from the federal government, we ended up with 40 per cent.

At a conference of provincial health ministers in Victoria in August, 1975, the ministers arrived at a consensus that a fair sharing of the costs of medicare between the provinces and the federal government was essential to the maintenance and improvement of health services in Canada. Yet we find that the federal government has been scaling down its own share of the cost of these services and now it has announced that it wants out of medicare cost-sharing. This is a strange attitude on the part of the federal government in view of the fact that this cost-sharing program was imposed on the provinces in the first place, and in view of the fact that most, if not all, of the provinces entered into the federal program reluctantly. At the time of the Victoria conference the ministers called on the federal government to continue discussions of more acceptable financial arrangements with the provinces and to reverse its decision to introduce Bill C-68.

Instead, Mr. Speaker, we find that the federal government discontinued discussions altogether and introduced Bill C-68 without consultation with the provinces. One of the reasons cited for the government's wish to ease out of shared-cost medicare is that the cost of the program has been rising at an unacceptable rate. Last year the cost of the program increased slightly more than 16 per cent over the cost of the previous year: the federal government's estimates last year were 16 per cent over those of the previous year. This year's estimates are 16 per cent over last year's, and could run to more than 20 per cent.

Last year, the professional journal *Medical Post* warned that the federal government's decision to cut back on its own contributions to medicare could raise the very basic question as to how much influence economics should have in deciding the availability and quality of medical care for Canadians. That question is being raised right now in the form of Bill C-68. The federal government plans to convene a conference with the provincial ministers of health in the

near future to discuss the roles of the federal and provincial governments with respect to how medicare programs should be funded in the future. At least, that is what we have been led to believe. The fact is that the conference should have been held before, and not after, Bill C-68 was introduced, and if a consensus could not be reached in one conference then there should have been several conferences.

Over the past year we have heard that the government's position on shared-cost of medicare is not negotiable. I suggest this is the reason for the lack of consultation on this important issue. What the *Medical Post* warned against has happened. The federal government has resolved the issue of medicare for Canadians to a question of pure economics.

Mr. Speaker, the provinces and the federal government have had enough experiences with medicare and hospital insurance by now to be able to assess these programs on the basis of real data. We have found out where the areas of high cost are and we have already begun to find ways to deal with these high-cost items. But before we can even start to explore these new avenues the government declares the it wants out of the scheme and that its decision is non-negotiable.

We have arrived at a point where it is more important than ever for the provinces and the federal government to sit down and talk turkey about shared-cost medicare. We have learned in the past few years that the major causes of the high cost of medicare and hospital insurance are hospitals themselves and doctors. The high capital cost of building hospitals, plus the cost of maintaining them, is one major area of high medicare costs. We have also found that there are many thousands of people being treated as in-patients in hospitals who can receive the same treatment in clinics and doctors' offices. Some provinces, including Ontario, have already taken steps to correct this situation and thereby reduce the cost of maintaining hospitals, while at the same time maintaining adequate service and treatment.

● (1600)

The other area of highest cost in medicare is doctors. In fact, the cost of doctors' services has been pinpointed as the major item of cost in medicare, and the solution to this problem is much more complex and complicated than in the case of hospitals. We cannot simply say that we are going to limit the number of doctors coming into the profession or that we are going to eliminate a certain number already practising.

It has been estimated that the cost of introducing a trained and qualified doctor into the medical profession is far greater than to introduce a person into any of the other professions. I am talking, of course, about the expense to the public. For instance, it is estimated that the cost to the public for a new physician entering the profession is approximately $50,000 for his services, plus another $100,000 for in-patient hospital care, laboratory services and other services. There is another $100,000 of public expense connected with the training of the physician, which includes internship and specialization in our hospitals.

When we think about reducing the number of doctors entering the profession, we must weigh this against the danger of reducing availability of health care to our people. The problem of too many or too few doctors varies from province to province, and even from area to area within provinces. So we just cannot adopt a policy aimed at reducing the number of doctors in active practice or the number of doctors participating in medicare and say that this is the solution. It might work for a few months or a year, and then we would probably find ourselves with a shortage of doctors at a time when we need more of them.

It has been suggested that the federal government should place some restrictions on the number of doctors emigrating to Canada. It has been proven that in recent years the influx of doctors to Canada has placed restrictions on the number of qualified young Canadians who want to enter our medical schools. In fact, there is a direct connection between the number of trained doctors entering Canada each year and the number of Canadians who are allowed to enter medical school. I do not know whether the restriction on doctors entering the country would be the answer, or even part of the answer, but I do know that this question cannot be answered in any way except by direct consultation between the federal Minister of National Health and Welfare, the Minister of Manpower and Immigration, the provincial health ministers and experts from the medical profession. We can arrive at a satisfactory solution to this problem, but it cannot be found if the federal government simply throws up its hands and tells the provinces that they will have to go it alone.

I should like to read into the record part of the statement made by my colleague, the hon. member for Elgin (Mr. Wise), as follows:

> It should be noted, Mr. Speaker, that opposition to Bill C-68 is not restricted to the provincial governments, but that such groups as the Canadian Medical Association and the ten provincial medical associations stand firmly against it. The Canadian Medical Association takes the justifiable position that these arbitrary budget controls will produce definite hazards for Canada's health care delivery system. They state that the budget controls will have the effect of restricting the availability of health care to the point at which it would have to be rationed. Obviously such an action could endanger the quality of medical services available to Canadians.
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> In a letter to the minister, a letter which has apparently been ignored, Dr. L. C. Grisdale, President of the Canadian Medical Association, says:
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> "The permanent cost increase ceilings proposed will result in the rationing of medical care; the cost increase ceilings will inhibit, if not prohibit, the introduction of new medical procedures and make it impossible for them to be made available to all Canadians who would benefit from them. This will be particularly true for those Canadians who live in less wealthy provinces—frequently those areas where improvements in the health care delivery system are most needed.
>
> The effect on the 'have-not' provinces is particularly significant. Since the introduction of medicare, these provinces with less developed health care systems have benefited from the federal-provincial cost sharing formula. The imposition of a ceiling on federal contributions will deprive these less wealthy provinces of further opportunity to improve the level of medical services in their communities. It will be impossible to evolve a uniform program of equitable availability and quality."

I think those remarks are very significant. We have arrived at a point in medicare where we are all going to have to get our heads together and work out the problems which have come up, and these will have to be solved in a way which will enable us to provide a level of medicare which is at least as good as that we have now, and in some ways we must make it even better. I am disappointed that the government has elected to make a decision on medicare

based on economics and without consulting more with the provinces. We in Ontario had medicare before we were drawn into the federal scheme, and if we have to, we can still operate our own system.

However, there are other provinces which cannot provide the same level of service on their own. It is for that reason more than any other that I urge the government to withdraw Bill C-68 until we have had an opportunity to hold discussions among the federal and provincial governments on the problems facing the system, and until we have had a chance to work out a solution to the problem of the escalation of the cost of medicare.

Mr. Arnold Malone (Battle River): Madam Speaker, I am quite pleased to have this opportunity to make a contribution to the debate today relating to Bill C-68, and also to add a perspective to this debate which I think is somewhat unique from the discussions which have previously taken place. If it is in order to do so, I should like to build a case and to share some of the cultural and historical differences there are between our native peoples and then to come back to show how this bill relates quite specifically to what is happening to the health of the Inuit or Eskimo people and the Indian people. While I respect some of the comments made by the parliamentary secretary—specifically, that the health standards in this country are high—the native community is one situation in which just the reverse is taking place. In fact, the health standards of our native people are becoming poorer rather than better.

As I go along today, I should like to illustrate why their health situation is becoming poorer and why some of the emphasis of Bill C-68 ought to take into special consideration the plight of our native people and the northern communities. I do not take an out-of-hand objection to the desire of the federal government to cut back on its contributions to health care, but certainly one or two questions which ought to be asked with regard to our health standards are: is the present standard satisfactory, and are the provinces in a position to pay? As has been mentioned, for the last two decades conditions in the north have become considerably worse. The native Indian death rate is three times that of the rest of society. In addition, the health of native people is the responsibility of the federal government.

So far, the debate has really dealt with relationships with the provinces, and closely tied to that is the fact that in that unique area where the federal government is solely responsible for health there is the least success. I am sure the parliamentary secretary will agree that the higher the income of our native and Eskimo people, the lower their health standards. I think that it will soon become clear with the realization that the better off natives are beginning to adopt some of our Caucasian lifestyles. There is a considerable difference between the foods of their cultural past and the new foods which are being supplied to them. Far too often, when Canadians in southern Canada reflect on the north, they think of issues such as land claims, offshore drilling and the Mackenzie Valley pipeline. What we fail to think about is the people themselves. Their lifestyle has been established across generations; they have an established diet and standard of health. The very rapid change that is taking place today has but a tremendous effect on their diet and subsequently their standard of health. In building the case for special consideration in this debate, I should like to point out some of the reasons why their standard of health is much poorer today in the north than it was two decades ago.

● (1610)

In the past, the native peoples in the north acquired heat and energy for their bodies from the walrus, the beaver and seal oil blubber which all supplied energy and protein. Today these are mostly obtained through sugar and lard. The growth and repair of body tissue in the past depended on fish, caribou, seal, walrus, moose and bear. Today the source is weiners and commercial brand-name meats such as Spork and Klik. The regulatory functions of the body depended on vitamin C, which came from the caribou. Muktuk was part of the diet. Fish was very high in vitamin C, particularly when it was eaten frozen. Plant and vegetable materials were obtained from the stomachs of caribou and rabbits. When they accepted the white man's diet, the Indian and Eskimo peoples of the north did not adopt his use of vegetables so high incidence of scurvy is beginning to show up.

The method of cooking has contributed to the deterioration of their health. For example, the vitamin C in fish was not destroyed by freezing, but when fish are boiled or made into soup the vitamin C is reduced, and it is almost totally destroyed through frying or baking. When the fish was frozen at 20 degrees Fahrenheit for 48 hours, the tapeworm larvae were killed. One thing we notice today is that the native people have trouble with bleeding gums, an early sign of scurvy. According to Dr. Schaffer, who has been working in the north, between 40 per cent and 70 per cent of Indian adults at the present time are a high risk for scurvy, and between 50 per cent and 80 per cent of Eskimos are a high risk for scurvy as well.

The purpose of the bill before us is to cut down federal health contributions. The native community is an area in which the federal government has sole responsibility, but it has a shameful record regarding the people of the north. In the past, those people ate berries, seaweed, small plants and the vegetable contents from the stomachs of caribou and rabbit which gave them an aedquate vitamin and mineral intake. They had good, solid teeth, as the early explorers observed. From the sources I have mentioned, they got vitamins A, C and D. But today people in the communities, particularly those close to active white settlements, display a vitamin deficiency because of the change in their diet. The government ought not to be talking about cutting back but, rather, increasing its concern. It is of paramount importance that something be done to increase the amount of vitamin C in the diet of our native people. Perhaps we will have to arrange that oranges or other citrus fruits be made readily available for the northern children.

Another change in the traditional customs of the northern people deals with breast-feeding. Two decades ago Eskimo infants were breast-fed and received supplements of fish and meat for as long as three years. This certainly slowed down the rate of increase of the family group. Today, with the introduction of cow's milk into the diet—which is not so easily digestible—they lack the antibodies which come from the mother's milk and there is a consequent increase in the number of childhood diseases. This is

another area on which the government should focus. I mentioned the increase in the birth rate. In 1950 the rate was 40 per 1,000. Today this has increased to 64 per 1,000. A study of children raised on cow's milk, compared to those raised in the traditional manner on mother's milk, shows a six to ten times increase in middle-ear infection and a 10 to 15 times increase in the incidence of anaemia.

Madam Speaker, the standard of health of those people, who are the direct responsibility of the federal government, lags far behind those for whom the province has direct responsibility. One of the things that must enter into any discussion of Bill C-68 is the deplorable health standards among our native people. To be constructive, may I suggest that the federal government intensify its efforts to disseminate information on nutrition in the north. There should be more nutritionists who could promote safe diet patterns when people change from their traditional foods. As an example, look at what has happened with the introduction of sugar to the diet of the northern people. Traditionally, they did not use sugar at all, but that has changed markedly.

At present, an average native person would use something like 1¾ cups of sugar per day through sugar in coffee, candy, cheesies, cookies and cakes and all of the sweets associated with the white man's diet. The deplorable fact arising from this is that the once traditionally sound teeth they had are now amongst the worst in North America. Anyone who visits northern communities and sees young children with mouths full of rotten teeth can understand what has happened to their society. They would not have been able to survive in the past had their teeth been in such poor condition. The change has been brought about by the white culture, and the responsibility in a health sense lies with the federal government.

In essence, this bill aims to let the federal government pull back on its health services. I submit that there is every reason to increase health care expenditures, not cut back. For example, in the last 20 years tooth decay in northern communities has increased by 160 per cent. So severe is the incidence of swollen gums and rotting teeth that the 15 dentists serving 1,500,000 miles of the Northwest Territories cannot possibly cope. About all they can do is pull out painful teeth; they have no time for fillings or other treatment. The standard of dental health in our northern communities is deplorable, possibly one of the lowest in North America, and dentists simply do not have time to undertake necessary treatment.

● (1620)

For the native people's poor dental health, is a result of their contact with the white man's culture. We are interested in pipelines, oil, gas and minerals in the north. Unfortunately, our government does not focus its attention on the other aspect of the equation, the health of the native peoples. While we may have every right to be interested in the resources of the north, the native peoples have every right to expect an associated response; in other words, health care for our native peoples of the north. Instead of cutting back money for health services, why does the government not set up a program whereby third of fourth year dental students will do part of their training in northern communities?

[Mr. Malone.]

Even if dental students were to work in far northern communities, the problem would still remain large. It is hard to explain how terrible the situation is. I submit that mine is a reasonable request. Perhaps these young dentists could be called the Company of Responsible Canadians—which would be an act counter to the Liberal tradition.

To summarize, the change of diet, related to the influx of the white man and the white man's culture in the north, has adversely affected many northern communities. For that reason we must give more attention to northern communities. For example, consider the situation with regard to diabetes. The number of cases is up three fold from that of ten years ago. The Eskimo diet changed in the 1950s and 1960s from one containing almost no sugar to one containing between 70 and 130 pounds of sugar per year. Consider cholesterol-related diseases. There has been a fivefold increase in the incidence of calcification of leg arteries and a considerable increase in heart ailments, something virtually unheard of in Eskimo communities when the explorers first came across them some hundreds of years ago. Consider the situation with regard to obesity. This is becoming a problem, particularly among men and women from 18 to 40 years of age living in or near white settlements. It is not a noticeable problem among natives who practice the traditional lifestyles of the Eskimo culture.

Consider the incidence of gall bladder disease. This has become one of the most serious diseases affecting North American Indians and Eskimos. In Inuvik, gall bladder operations outnumbered all other operations in the past five years. Until recently, gall bladder disease was virtually unknown among Eskimo peoples.

Let me summarize the needs of the north. Instead of cutting back funds for medical services, the government ought to increase funds. Certainly, proposing a bill to cut back expenditures in an area where the federal government has sole responsibility is unacceptable. The record of the government has been absolutely deplorable. Here, I wish to make three suggestions which ought to be taken seriously. First, there is a need to increase greatly the number of nutritionists providing nutritional education in northern communities. They could help the native peoples of the area to adapt to the new lifestyle and to the new diet. I say this because their traditional diet gave them a sound body. At present they are inadequately nourished and consequently are among the most deprived people in Canada.

Second, the federal government should spend much more money providing dental care to people in northern communities. Virtually every child is afflicted with cavities, often a whole mouthful, a situation virtually unknown decades ago: cavities were unheard of in Eskimo communities in times gone by. Third, the Department of National Health and Welfare should assume some responsibility in connection with the development of Canada's north. I say this for a good reason. It is irresponsible of the federal government to encourage activities like the building of the Mackenzie Valley pipeline and the drilling for offshore oil in the north without at the same time making provision for the health care needs of native peoples who will be affected by the change of diet resulting from their encounter with the white man. It is irresponsible not to assume the costs of health problems of our native peoples while reap-

ing the rewards from northern resources. We cannot expect to have the advantages of exploration and development without assuming the responsibilities for health. I hope the parliamentary secretary will heed my suggestions and I hope that the federal government will take its responsibilities for the native peoples seriously and implement my suggestions.

Mr. Kaplan: Madam Speaker, I am most impressed by what the hon. member had to say, and I hope that the theme of health care of native peoples will be developed extensively in committee. Would the hon. member permit a question? From his experience, can he judge whether native health conditions are worse on Indian reservations than off the reservations? What is his experience in that regard?

Mr. Malone: Madam Speaker, I am not sure if I can give an adequate, researched response to the hon. member. I assume the hon. member is talking about conditions in the provinces, not necessarily in the north. However, data relating to northern communities shows this: the closer the proximity of native peoples to white culture, the worse is their condition of health. The situation in the provinces is somewhat different. For example, hitherto native peoples seldom ate vegetables. Now, after a somewhat lengthy transition, in many cases they include vegetables in their diet. I am afraid I cannot respond from a researched study, but the data I possess I will gladly share with the hon. member.

Mr. Max Saltsman (Waterloo-Cambridge): Madam Speaker, a few days ago a Liberal backbencher asked the Minister of National Health and Welfare (Mr. Lalonde) what the minister intended to do about hospital closings in Ontario. That was a worthy question which did the hon. member credit. But the answer did not do the minister credit. The minister replied that he could do nothing since the hon. member knew very well that the matter was within provincial jurisdiction. That illustrates the fraudulent attitude to which we object. Surely the minister knows that cutting back on the federal contribution to medicare will affect the ability of the provinces to provide services. He cannot avoid his responsibilities by saying that something is under provincial jurisdiction. Obviously, the provinces depend heavily on federal funds to carry out their responsibilities. Whether this should be so is beside the point.

Perhaps it would be well to recall the time when this measure was first debated in the House. When the federal government put a very heavy hand on the provinces in order to get them into universal programs, whether hospital insurance or medical care insurance, they in fact made an implied guarantee for the future that those costs would be shared. By taking the position they are taking on this particular bill, they are reneging on their promise to the provinces. They are breaking the word of parliament. I know that legislation is not forever. Taxation is not forever and cost-sharing is not forever. We understand this. However, they asked the provinces with good reason. I certainly supported the program, as did most members, that there should be a universal, compulsory medical system throughout Canada. This is something those of us who took part in the decision can be proud of. However, we cannot be proud of what the government is now doing.

● (1630)

I can appreciate that some of the costs are escalating. Most of the medical program in Canada is very worthy. It is not being abused. In comparison to other countries, our costs really are not high. When you compare the costs in Canada with those in the United States, we are doing extremely well in supplying services to people at a moderate amount of money. There are areas that have to be tightened up. Nobody argues that. However, doing it in this heavy-handed way and with this degree of arbitrariness is wrong, particularly when the federal government and the provinces are going to be meeting shortly and discussing these matters.

In listening to the arguments put forward by the government, one would assume the provinces do not have any interest in the economy. The provinces have a great interest in the economy. Even with cost-sharing, 50 per cent of the cost has to be raised by the provinces. Frankly, with the exception of a few provinces the 50 per cent the province has to raise is far more difficult for them, in terms of their ability to command tax revenues, than it is for the federal government. The provinces want to eliminate some of the abuses in the system and some of the overuse that is taking place. However, they do not want to do that in the way the federal government is proposing, saying, "We are going to put a ceiling on you and you are going to have to live with it." I am sure that given the kind of constraints that are facing the provinces, the expenditures would probably be within those ceilings that the federal government thinks are desirable.

It is not too late for the government to show some common sense in this matter. We already have enough problems in this country. There are situations when the federal government probably has no choice but to confront the provinces. There are probably instances when the provinces have no choice but to confront the federal government. However, surely this is one matter where the provinces and the federal government are not far apart except in a few areas under negotiation.

This is an area where the federal government can back off with grace. Nobody will laugh at the federal government. Nobody will say they did this because they have a minority government, or the opposition or someone else forced them to do it. As the federal government will be meeting with the provincial governments, it would be a gesture of good will and intelligence on their part to defer any action they are proposing in this bill until after the meetings with the provincial governments.

Many of our problems in this country seem to be created by pure pigheadedness rather than any inherent differences between the people involved. One of the reasons the members of my party have kept this debate going for this period of time is to try to persuade the government to see this particular point of view. It would make a great deal of sense for them to accept the arguments being put forward by the opposition—and, I am sure, the arguments of some of their own members—and defer this legislation until they have had the opportunity of meeting with the provinces.

The message from the voters of Canada is certainly clear to all governments in this country. Every expenditure has to be carefully monitored. No matter how worthy a service may be, everyone is becoming quite cost-conscious and efficiency-conscious about those services. It should not be difficult to get an agreement on restraint regarding the expansion of medical services to the extent that some of these things are being abused.

I want to make this quite clear. All of us have experience with various government programs. If there is one government program that is not being greatly abused, it is medical services. On the whole, it is probably one of the finest programs in which the federal and provincial governments have ever engaged. As members of parliament, we encounter abuses of public services. In my experience, people do not rush off for medical services if they do not need them. We have a good program. In my view, it is one of the best in the world. If you look around, you will see that our medical service program stacks up with any country with which Canada traditionally compares itself.

With the possible exception of Great Britain—and there are some flaws and approaches in their system that are not quite as good as ours—our program is as good or better than any. In Japan, the coverage is not universal. Of the 105 million people living in Japan, while they are covered by some kind of health insurance they are covered under systems with important differences. You do not get the universality or the good standard of service that you get throughout this country. Germany was the first country in Europe to bring in a national health scheme. However, in that country there are still eight types of health insurance funds and some 1,800 administrators of those funds. While it may be a very workable system—and I am sure all these systems are workable—it still does not compare with the simplicity of our system. Great Britain does not have a fee-for-service system. While there are some benefits to their system, our fee-for-service system, even with its faults, has proven to give satisfactory service to the people who use it.

Australia is as rich a country as Canada. They can certainly afford a public health insurance program of the same extent as ours. However, you still do not get the universal coverage in the Australian system that is available in this country. In Belgium, not all the population is covered. There is a distinct system for the self-employed and at least 2,000 societies administering medical health services in that country.

● (1640)

As for Sweden, which we often point to as an example for some programs, our own medical system is in many ways superior to the Swedish system, at least from the Canadian point of view. Ours is more appropriate, perhaps, to the Canadian system than to the Swedish system. Switzerland, where there are 23 per cent compulsorily covered, includes in its health insurance about 66 per cent voluntarily, and the scheme is administered by 750 sickness insurance funds. The question of catastrophic coverage is still a debatable and political issue in Switzerland. In Denmark you have counties and communes which are administering the health insurance program. New Zealand has a fine system. I had an opportunity of seeing it years ago, but it still does not provide the same kind of universal coverage as the Canadian system does.

The point of my saying these things is to strengthen the argument I am making. Of all the things we have done in this country, one of the finest has been to bring in the medical insurance program. Why we should take that which is really excellent, which is working remarkably well, despite its problems—there are always going to be problems in any kind of scheme—why we should take this thing which should be our pride and joy and seek to destroy it is beyond me. It will not be destroyed in the sense that it will come unstuck, but certainly the confidence in the system, the great rapport which has existed between the provinces and the federal government, is shaken now. The provinces are angry, and they are angry with justification. They have put forward alternative programs but these have been rejected by the federal government. They argue that they are trying to be reasonable, that they are trying to go along with the general purpose of what the government wants, only to be told in a very heavy-handed manner, "No, we are going to impose these things on you and you can sort of take it or leave it." I think that is wrong and it will not do the medical services in this country any good.

All of us are concerned about nationalism in this country. We are concerned about Canadian identity, and some of us think that Canadian identity is a flag, a national anthem or perhaps, different foods, pea soup or maple syrup, whatever it may be.

Mr. Paproski: Holopchi!

Mr. Saltsman: But that is not what national identity is really all about. Holopchi—a very, very good national identity. The hon. member from the Ukraine has mentioned it. If I digress for a moment, Madam Speaker, the *Hansard* reporter may wonder how you spell "holopchi." I would sit down if the hon. member would rise and clarify the question of spelling of "holopchi." They are very delicious cabbage rolls—the Anglo-Saxons over there call them cabbage rolls, but we know better. They have imposed an enormous burden on the medical services of this country, Madam Speaker.

Some hon. Members: Oh, oh!

Mr. Saltsman: It would probably make greater sense to restrain the consumption of holopchi than to do what the government is doing at the moment, if they are interested in cutting costs. However, Madam Speaker, if I might proceed in a somewhat more frivolous way than the serious discussion that has just taken place, let me say that nationalism to all of us is important and the Canadian identity is important. While we have been joking about holopchi, it is certainly a very great part of our heritage.

When you consider the phenomenal contribution which has been made to this country by people who have come from other parts of the world, from eastern Europe, from India and from many, many parts of the world, it is evident that they have enriched our country. When we talk about identity we are not talking about setting ourselves apart from the Germans or setting ourselves apart from the French on the continent, or setting ourselves apart

from the English in Great Britain. They are far away and their cultural differences are very much their own.

It is the United States that we really are concerned about, that great country to the south of us with a population 10 or 11 times our own and a corresponding proportion of wealth. This makes life very difficult for smaller nations which speak the same language and share many of the same cultural underpinnings but which yet feel themselves different. If you ask yourself what is it that makes us different, or what it is that wants us to be different, you have to look at programs such as medicare. The time you really become conscious of being a Canadian and how valuable it is to be a Canadian—how much nicer it is to be a Canadian sometimes—is when you run into medical costs in the United States and you have to go through the hassle of trying to get payment or trying to get service under their private medical schemes. That is when you say, "I never knew it was that difficult." Of course, those of us who remember what it was like before medicare knew it was quite difficult. It is extremely difficult in the United States in comparison to Canada.

I often listen with pride when an American comes to this country and for some reason or another has to go to the hospital, or has to see a doctor or has occasion to observe someone who is requiring medical treatment in this country, and remarks how wonderfully we have worked out the sharing of the responsibility for health insurance. It is really something that sets us apart from the United States. It is things like that, it is the way we do things, the way we share things, the way we agree on things that establish us as a separate cultural entity.

The United States over all these years, with their greater wealth, have not been able to get agreement about a national medicare program. Out of necessity they have been obliged to bring in programs to look after some of the old, some of the very ill and some of the poor ill, but in many ways you would wonder that a country like the United States would have such an incredible patchwork of medical services and such an unfair and costly distribution of those services. It is for reasons of that kind that I oppose any action which would downgrade medical services in this country and destroy the consensus which has developed about our medical services.

I listened in the earlier part of the debate to the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), my former leader, a man respected not only by those of us who sit in this corner of the House but by members on both sides of this chamber. I am sure that every Canadian, no matter what his political inclination might be, is proud of him. One of the reasons he will go down in the history of this country is that the province which he led, a province which is not the richest in the country, brought in a medical care program, the first in North America. We have much for which to thank the hon. member for Nanaimo-Cowichan-The Islands. When he took part in the debate, he spoke to this House with passion and with knowledge, pleading with the government that they should not impede the progress of medicare in this country. If for no other reason than respect for this great achievement of my hon. friend, I believe the government should give additional thought to what it is doing.

● (1650)

I have spoken to health officials in the province of Manitoba. They recognize the need for restraint. They said they are willing to go along with the federal government on that score, though they have proposals which may reduce the federal government's financial contribution to the provincial governments if they are accepted. They have in mind a change in hospitalization from, let us say, a straight doctor-patient relationship to other forms of medical care that may provide far greater benefits for a given amount of money.

The time has now come when, with the medicare program firmly established, we should start looking at other ways of delivering health services for the future. We should begin to anticipate health programs rather than deal with them on an emergency basis. In the early days of medicare we did not have much choice. Before the introduction of medicare a goodly part of the population had not received the medical services and attention which it really needed and was entitled to get. We have had to do a lot of catching up; we have had to build facilities and provide medical services to the public, and we are now approaching the stage where these matters are not as urgent as they once were. Greater thought should be given to the implications of the Hall report concerning the prevention of illness. They envisaged people braving periodic checks that would prevent serious illness developing and having to be treated at a much higher cost and at much greater risk to the patient.

Medicare has done a great deal for the population of this country, but I think it can continue to be improved. I am sure all of us are quite prepared to find a better use for the money that is being apportioned to medical services. I do not think this can be done in the arbitrary manner set out in this bill, that of saying, "This is going to be the ceiling. Operate within it. If you don't, you are in trouble". I am not saying that cutbacks cannot be made in this form, but whether they prove to be the best kind of cutback or whether the highest costs will be eliminated, no one knows. Nevertheless, it is not as good a way as sitting down and discussing with the provinces a more intelligent approach, one that gives the provinces time to work the matter out as well as the opportunity of putting forward some of their own ideas.

I do not anticipate that the federal government will receive much credit for what they are doing. I know it is very easy to attune oneself to the public mood and to say that the public wants us to cut government expenditure. But let me reiterate what many members on the government side said during the last election. Every time a Conservative raised the question of cutting back on government expenditure, you could always find a Liberal who would say, "Okay; tell us which expenditures you want us to cut". He would go on to say, "Do you want us to cut medicare?" The Conservatives would say, "No, we want you to cut Information Canada".

Mr. Paproski: Petro-Can.

Mr. Yewchuk: And the CBC.

Mr. Saltsman: All right. The point being made by all my hon. friends who are helping me out at the moment, the

one thing all of us can agree on, is that we did not want to cut medicare. Some of those who now support medicare did not support it initially, or they had reservations about it or some alternative. But the point is that there is really no opposition today to the medicare program in this country. There may be criticism of it, as there always will be on some specifics, but as far as the general value of the program is concerned, and apart from the fact that the federal government should live up to its responsibilities, there is no serious criticism of medicare; and this was true even during the election campaign.

In view of the fact that, of all the programs we have, medicare is one of the most universally accepted programs by all sections of society, this is sufficient and good reason for the government to listen to the views of members of the House, to think again about what it is doing and to wait until the federal-provincial conference takes place before passing this bill. If the government does this, I am sure it will appear to be more sensitive than is the general impression at the moment—and it can use all the good impressions it can garner. As far as this point is concerned, the government is certainly not in the best position at the moment.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Medicine Hat (Mr. Hargrave)—National Defence—Possible opening of Suffield range for grazing; the hon. member for Central Nova (Mr. MacKay)—Consumer Affairs—Request for report on investigation of duty-free shops—Reason for warning to consumers about purchases at duty-free shops; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) National Defence—Request for redeployment of air and sea rescue forces in Atlantic region.

It being five o'clock p.m., pursuant to the order made last Friday, February 27, 1976, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, private bills, notices of motions.

[Mr. Saltsman.]

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CANADA-ALASKA AND MAINE CORRIDORS AUTHORITY ACT

MEASURE RESPECTING RESPONSIBILITY AS BETWEEN CANADIAN AND U.S. GOVERNMENTS.

Mr. Deputy Speaker: It is my understanding that there is agreement on the bill with which we are to proceed at the present time.

Mr. Goodale: Mr. Speaker, I understand it has been agreed to proceed with Bill C-272 at this time.

Mr. Paproski: That is agreed, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): D'accord.

Mr. Deputy Speaker: Is it agreed that all other bills preceding this bill on the order paper be stood and that we proceed with consideration of Bill C-272, appearing in the name of the hon. member for Laprairie (Mr. Watson)?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Before proceeding with consideration of Bill C-272, I feel I should inform hon. members that the Chair has some hesitation about the procedural acceptability of the bill. Although the mover, the hon. member for Laprairie, might argue that the proposal is more permissive than mandatory or compulsory, I feel that this type of proposal should better be put in the form of a notice of motion than a bill.

● (1700)

It is the opinion of the Chair that if the full purpose of Bill C-272 were achieved, which is to create an authority to advise the government to reach an agreement with the government of the United States, and if such an agreement came about, in the end it would involve an expenditure of millions of dollars. So, indirectly, the bill, although it does not do so directly, could create the need for a substantial expenditure of money and thus be a burden on the Crown.

Because of the agreement hon. members have reached so far as proceeding with this bill is concerned, and also because similar bills have been debated in this House in the past, I am prepared at this time to let the House proceed with the consideration of this bill, but not without registering a caveat about border line bills of this type which to my mind should be in the form of notices of motions rather than bills.

I do not want these proceedings to be taken as a precedent for the future to be used by hon. members for the presentation of similar bills. I think the Chair must become more meticulous in looking at such bills, especially bills which would allow the government, advise, permit or suggest but which at the same time indirectly would have some money implications. This being said, I shall put the motion to the House for debate.

Mr. Corbin: On a point of order, Mr. Speaker, may I say that I tend to agree with the reservations you have expressed concerning the content and purpose of this bill. I

must say that indirectly it is an attempt to do what it does not have the courage to do directly, which is wheeling and dealing. I do not particularly favour the bill, but I must say, although I agree with your reservations, I am prepared to discuss it. However, I certainly do not intend to let it go through tonight.

Mr. Deputy Speaker: I must say to the hon. member that the Chair had decided to let the bill come to a debate, with all the reservations I have given. I do not know that hon. members should be allowed to question the Chair, disagree with the Chair or support the Chair at this time, so I think we should proceed.

Mr. Ian Watson (Laprairie) moved that Bill C-272, to provide for the establishment of a Canada-Alaska and Maine Corridors Authority, be read the second time and referred to the Standing Committee on External Affairs and National Defence.

He said: Mr. Speaker, I should like to speak very briefly to the point of order. If you are shaking your head, I shall not do it; but it seems to me that the bill refers only to the creation of an authority which would not involve the expenditure of money. I would argue this is one method which members of parliament have to bring matters to the attention of the House and the Canadian public which is not limited in the way motions are limited. We are allowed only one motion per session. This is another way of doing it. I really feel there should be no restriction on the format.

Mr. Deputy Speaker: Order, please. I do not wish to argue with the hon. member. He is entitled, if he can get together with other hon. members, to have the rules of the House revised. In the meantime, I would suggest he proceed with discussion of the bill.

Mr. Watson: Bill C-272, to provide for the establishment of a Canada-Alaska and Maine Corridors Authority, has as its purpose the finding of a solution to a major transportation problem affecting Canada by means of an international pact between Canada and the United States of America. The idea is that the government of the United States would agree to pay the full cost and maintenance of a highway corridor running from the Quebec eastern townships autoroute at the Quebec border across Maine and/or New Hampshire to link up with the New Brunswick highway system somewhere in southwestern New Brunswick.

An hon. Member: Where?

Mr. Watson: That would be left to negotiations between the parties, who would necessarily be the two senior governments as well as the state governments of Maine and perhaps New Hampshire and the provincial governments of New Brunswick and Quebec.

In return for the assumption by the government of the United States of all the costs relating to that highway across the top of Maine, the Canadian government would agree to spend an equal amount of money on upgrading the Alaska Highway which lies within its territory, mostly within the Canadian provinces of Alberta and British Columbia and the Yukon Territory. This suggestion combines the proposal, which has been made by a number of members which involves the creation of an Alaska Highway Authority to provide for the funnelling of substantial funds into that highway, with a formula that would provide for the solution of the eastern problem of transport and vehicular communication within the Canadian maritime provinces.

While at first glance this may seem to be a bit farfetched, I would argue that it is totally reasonable and rational. I cannot understand why the federal government has not given this more serious consideration than it has until now. This is not a proposal, as some members would have the public believe, to have the Alaska Highway paved. The amount of money that would be involved in paving the Alaska Highway is indeed an astronomical amount which far outclasses the amount of expenditure the United States government would be required to spend on the Maine highway.

● (1710)

What is needed on the Alaska Highway now, within Canada, is the rebuilding of approximately 300 to 400 miles of that highway and the paving of portions of it in populated areas. The government of Canada is going to have to do this anyway in the next few years. That necessary expenditure would in itself surpass what the American government would spend on the Maine highway, so all that would happen would be that by making that sort of arrangement with the United States, we would do what we must necessarily do in the way of repair on the Alaska Highway in the next few years and the American government would then have a legitimate excuse to go into Maine, spend money on that highway and build a highway of interstate standards. This would not set a precedent for funding elsewhere in the United States. It would be of benefit in a number of ways, which I will now argue, not only to the tourist-minded public of eastern Canada but it would also be of enormous benefit to a substantial population of the northeastern United States.

Mr. Paproski: It would fulfil the promise the Prime Minister (Mr. Trudeau) made in 1972.

Mr. Knowles (Winnipeg North Centre): Don't kill the bill.

Mr. Watson: Probably one of the strongest arguments for this corridor would be that it would promote Canadian unity. Imagine the difference in the tourist business in Nova Scotia, Prince Edward Island, New Brunswick and Newfoundland if it were possible to drive from Montreal to Prince Edward Island in less than a day. Imagine the difference if we could drive from Toronto, if we got up early enough in the morning, to Prince Edward Island in one day. This is just not practical now unless we want to drive day and night. If this highway is built across Maine, within reasonable speed limits it would be possible to arrive in Prince Edward Island after approximately a nine to ten-hour drive from Montreal. This is the kind of estimate which is always a guess, but it is reasonable to assume that if people do not have to stop overnight, and if they can be assured of getting down to the beach after one day's drive, not just a doubling, but a tripling or quadrupling of the number of potential tourists would be available to supply business to maritime tourist operators.

Hon. members who oppose this idea represent their areas well when they make their arguments and I respect their judgment when they say that this sort of proposal would be harmful to their areas. My counterargument to those points is simply that 20 years ago people in small towns opposed the building of highways bypassing their towns out of fear that this would cause a loss of general business in the towns. As these people were proven wrong when these highways eventually brought business to those towns and relieved them of traffic congestion, I argue that the suggested bypassing of the area from Riviere du Loup down through New Brunswick by the highway system would be more than replaced in its effect upon the tourist economy of the area by the large increase in the number of tourists that would be brought into the area. And, knowing the uncertainties of maritime weather, once people get down there the good weather is unlikely to last for more than a few days and these people will be breaking off their vacation somewhere along the way and taking their time coming back.

The important tbing is to get people down there. Once they are down there, they will wander all over the maritimes and they will be into northern New Brunswick and Gaspé in much larger numbers than they are now. The entire economy of the maritimes would benefit from a tourist business point of view by the construction of such a highway.

There is now a further argument which has become increasingly important. I would certainly like to be able to produce it here in the House today, but I cannot put my hand on the document. However, a few years ago—I believe it was in 1971—the Department of Transport made a study of the truck transport saving which would result from the construction of such a highway. If my memory serves me well, at that time the potential saving was in the area of $20 million to $30 million per year. With gasoline costs more than double what they were at that time, and with the prospect of their being much higher within the near future, the potential saving in energy to the transport industry in Canada is enormous. That argument is quite apart from the tourist argument, but it would be a sufficient argument for this kind of corridor.

As maritime administrators continually point out, tourism is a major industry down there. Surely a proposal which would double, triple or quadruple the number of tourists going to that region should deserve a much more interested look from the federal authorities and, as a matter of fact, the authorities from those provinces. Everyone seems to be sitting on his hands. I have had a little correspondence recently with the Department of Transport and the kind of reaction I get is one of total ignorance of this earlier report. In fact, according to the most recent information which I received, such a report simply does not exist—although I saw it—and the argument would seem to be that the Department of Transport simply says that such a proposal would not be economic. The kind of reply I got was based on the paving of the Alaska Highway, which has never been part of my proposal. Paving the Alaska Highway over its entire length at this time does not make sense and I doubt if it ever will. As I said earlier, the idea is simply doing what we already must do by way of repair to that highway, perhaps at an accelerated pace, in return for the American government spending "X" number of dollars on the Maine highway.

Presumably there are a few side issues here. Some maritimers conceivably might feel more exposed to upper Canadian commerce, but I argue that competitive maritime business operators would benefit enormously from the decrease in transportation costs to central Canada. There are a certain number of protests in Maine every summer about speeding Canadian tourists, and presumably that source of friction could be eliminated.

● (1720)

Another consideration that I say is a major one for members like the hon. member for Madawaska-Victoria (Mr. Corbin) is the potential of such a system requiring the federal government to sponsor new national parks. If northern New Brunswick were shown to be deprived of tourists by such a project, for example, it would then be incumbent upon the federal government to provide more attractions in the area such as, perhaps, another national park.

The basic fear is that if the traffic is taken off the roads, everybody in the area east of Quebec City down through northern New Brunswick will suffer. I am totally convinced that this would not happen, but that the long-term result would be highly beneficial to all the maritimes. Even those areas immediately affected by the decrease in commercial traffic would benefit at almost the same time because of the large numbers of tourists.

I think all these things could be analysed and we could arrive at definitive answers about how people would be affected. The potential in savings to the touring public and tourist operators, who would have a longer and better season, and to the governments of the provinces, who would reap additional sales taxes, etc., and all the other factors, argue for more serious consideration than the proposal has received.

The state of Maine has had two public votes on bond issues to finance such a highway, which were turned down. Surely if the government of the United States paid the shot, the residents of Maine would have a different view. I talked to members of the United States House of Representatives and a senator from Maine who indicated there would be strong sympathy for such a proposal and that the United States Congress would give it serious consideration.

The province of Quebec undoubtedly has some reticence in the matter. The area east of Rivière-du-Loup may fear the loss of tourism, but I am convinced that this could be overcome. I would argue that the highway would not only engender and push a new national park for northern New Brunswick, but would also open up the national park potential of the whole beautiful area along the Maine-Quebec border which is at the moment one of the most backward economic areas in the province.

The project has enormous potential, Mr. Speaker, but has been given very little consideration by the government. I hope that by raising the matter today we can persuade provincial and federal bodies to bring the idea to fruition. It is practical, it is economic and it is becoming more economic all the time as transportation and energy costs rise.

[*Translation*]

Some hon. Members: Question!

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I hear some hon. members opposite asking for the question. They are the same members who complain about the so-called excessive expenses of the government. They do not really know in what they are engaging in tonight by asking for the vote, because the cost of the proposal contained in Bill C-272 is certainly not one we can afford, if we consider for one moment the scope of regional disparities in this country. And in my opinion, it is not a corridor-highway that will help, even partly, to solve this problem.

The sponsor of Bill C-272, the hon. member for Laprairie (Mr. Watson), wants the creation of a Canada-Alaska and Canada-Maine Corridors Authority through an agreement between the government of Canada and the government of the United States of America. And the result, again according to the hon. member for Laprairie, the sponsor of the bill, will be to solve two major land transportation problems in Canada. Obviously, the sponsor of the bill wants to solve problems which seem to me to be the fruit of his rich imagination. I shall come back to that later in the debate, but right now I can ask this question: Does he not in fact create more problems than he pretends to solve with this bill? And I shall follow with this second question: Would he not be better to concentrate his resources, his energies and his ideas on the problem of urban congestion which is faced by his own metropolitan area of Montreal, instead of trying to solve the problems of my region? For I am a little wary about those who come to us under cover of consummate nationalism and I dislike those advocates of Canadian unity who are ready to sacrifice one leg, and perhaps even two, but not theirs, those of their neighbour. And as I shall demonstrate during my remarks, this is precisely what the bill before us is aiming at. And here, Mr. Speaker, I would like to make it clear to every one that I do not have a grudge against the hon. member for Laprairie (Mr. Watson). He is an excellent colleague and a good liberal thinker but in this case with which we are rightly concerned I cannot associate myself with the proposal he puts forward tonight.

I come back to the objectives of the bill as set forth by the hon. member. He suggests that the U.S. government support the building and maintenance costs of a highway crossing the northern part of Maine and linking the Quebec Eastern Townships autoroute with the New Brunswick road system. And the funniest part of his proposal is that, on the other hand, the government of Canada would spend an equivalent amount for the improvement and maintenance of the section of the Alaska Highway crossing certain areas on the Canadian territory. The net result would still be unacceptable to me. It would be trading off the interests of one area of this country against those of another. It would be robbing Peter to pay Paul. It would be a trafic of political influence at the expense of less privileged areas.

Indeed, the sponsor of this bill himself admits that the federal US authority should impose this so-called Maine corridor, if it should ever see the light, because on two if not three occasions, Mr. Speaker, the voters of the State of Maine themselves objected to this spending of state funds in a general referendum.

Suffice to say that the matter simply deserves to sink into oblivion and that it is not even necessary to make it a matter of debate in Canada since, however you slice it, the decision to build or not to build the Maine Corridor is basically a matter which rests with either the voters of Maine themselves or the federal government of the United States and no proposal from Canada could make the American elephant move if it chooses to stay put. It is as simple as that. The problem from a Canadian standpoint is a non-problem. But the sponsor of Bill C-72, as indeed certain promoters of the Atlantic region or the Quebec Eastern Townships, invented the problem altogether or at least got mixed up.

What are those people saying? That they are prepared to sacrifice the national interest, that they reject *a priori* the soundness of a national highway, a first class highway linking together all Canadian provinces. That there would be in this country areas that could be sacrificed, people who could be stepped on, areas consequently that would be less Canadian and that may be forgotten for a highway corridor that would cross a neighbouring state. I am sure they will all protest, saying that such is not their intention. It never entered their mind that they might want to punish the people of north western New Brunswick, those of the Grand-Portage between the New Brunswick border and Rivière-du-Loup, and the hundreds of thousands of Canadians living along the Trans-Canada Highway from Rivière-du-Loup to Montreal. Such is definitely not their intention!

Yet the effect would indeed be to punish that service industry which invested millions if not billions of dollars all along the Trans-Canada Highway to accommodate in such a beautiful way tourists, commercial trucks and everyone who uses that road. That would indeed be the result of building a corridor-highway in the State of Maine. It would mean ruining people who, for hundreds of years, Mr. Speaker, remained faithful to their Canadian tradition, who believed in a united Canada. They look indignant, the promoters of the Maine corridor, Mr. Speaker. They point their finger at the member for Madawaska-Victoria and accuse him of parochialism. Oh, I know that old game.

My forefathers have also known those offended maiden, those disguised wolves that lick you the better to eat you up. The problem of a major highway connecting the Maritimes to the central area of Quebec is not properly set, identified and upheld by the protagonists of a Maine corridor.

If I wanted to pray the Holy Spirit tonight, I would ask Him to enlighten the member for Laprairie (Mr. Watson), to shed some light on him, so that he may first and foremost show himself a Canadian and uphold the interests of Canada. The protagonists of the Maine corridor have always maintained, and continue to do so, that the distance between Moncton, which is for all practical purposes the hub of the highway system in the Atlantic area, and Montreal would be substantially reduced by the Maine corridor, instead of taking, as at the present time, the traditional and historic Trans-Canada Highway. It is not true, Mr. Speaker. And it is obvious to anyone who takes the trouble of having a look at a map of Maine. Indeed the area is dotted with lakes and mountains and any proposed

speedway will have to go around them. It is completely wrong to assert that the distance could be shorter.

This has been demonstrated by a spokesman for my area at the annual meeting of the chambers of commerce of the Atlantic region, in 1967 or 1968, I do not know the precise date. With maps, with diagrams, with chains, it has been possible to demonstrate that if Moncton is taken as the starting point, the distance is 635 miles through Fredericton, on the Trans-Canada Highway, Edmundston, Rivière-du-Loup, Quebec, Montreal. On the other hand, if the starting point is Moncton, through Fredericton, and the proposed Maine corridor, we see that the distance is 633 miles. This is 2 miles less than the present road followed by truck drivers, tourists and anyone you like.

I think that the then Minister of Transport, the Hon. J. W. Pickersgill, tabled in this House the result of a voluminous study on transportation problems in the Atlantic region in 1967. This study commissioned from The Economist Intelligence Unit Limited and volume X referred specifically to a proposed Maine corridor. What was the conclusion of the study? Well, here it is, and I quote:

● (1730)

[*English*]

There are large areas of the Atlantic region's infrastructure in general, and transportation systems in particular, where returns far in excess of those to be expected from a Maine corridor highway can be achieved.

[*Translation*]

There, Mr. Speaker, is knowledgeable conclusion, a serious and intelligent conclusion, that defeats all the arguments of the promoters of a corridor, which is the main aspect of the question we are debating today. And that is what the promoters of the corridor refuse to see. How, indeed, can anyone justify a Canadian corridor in the State of Maine when I know full well that every single hon. member from the Atlantic region, barring none, can rise in this House today and enumerate at least a dozen very important priorities in the field of road construction alone in their respective ridings, Mr. Speaker. And some would lull us to sleep with beautiful corridor projects.

Priorities are altogether different in the Maritime area. Every hon. member from New Brunswick remembers a five year road construction and renovation program, with an estimated $400 or $500 million tab, presented last spring to the federal government. It contained only the provincial government's priorities. Such is the problem we should try to solve. Requests must be met within Canada and even within each of the Atlantic provinces. Once we have set up—or patched up, whichever the case is—the infrastructures needed for the day-to-day lives of people in the Atlantic region, then and then only can we consider a corridor highway construction project in Maine.

New Brunswick has so many priorities within its boundaries that it cannot afford the luxury of "flirting" with a corridor project for the time being, nor even for the next 10 or 20 years. It has learned during the last two years that "flirting" with lofty projects such as the Bricklin automobile is costly.

Personally, I would have preferred that the corridor road promoters had shown as much energy, during the last 10 or 15 years urging better development of a Canadian highway, at home in New Brunswick as well as in certain Quebec areas traversed by our national highway.

If such had been the attitude of my fellow citizens, if they had thus shown their sincere wish to solve a real problem, and if they were still so inclined, they would concentrate their efforts and energies to the betterment of the Trans-Canada Highway. Then the problem would be solved, and we would not be hearing of a Maine corridor or a highway exchange with the Americans.

What concerns me is not so much being accused of having a parochial approach since I have first been elected here eight years ago. I do not mind that. My constituents may also be accused of parochialism. As a matter of fact, these people want to live, Mr. Speaker. I am deeply disappointed that we cannot find a solution, a typically and really Canadian solution to a Canadian problem.

Where is the sagacity of the Macdonalds, the Lauriers? What happened to resourcefulness in this country? What has happened to the venture spirit of the Maritimers? This is disappointing to me when I read a proposal like this Bill C-272.

I would not be satisfied, I would never be content to hand this matter over to Americans whom I respect, whom I admire, whom I must necessarily call my neighbours since the division of the territory—I was going to say the territory of the Republic of Madawaska—under the Ashburton-Webster treaty of 1842.

And that is exactly where lie the irony and the sordidness of Bill C-272. Today, 134 years ago, a territory that should have remained wholly Canadian was dissected. It was surrendered to the United States of America under the Ashburton Webster treaty. The same region through which it is proposed today to build a corridor, supposedly to connect two parts of the Canadian nation. We do not need a corridor, but the repatriation of the north of the State of Maine. But unfortunately, the history is written down, and for a long time I am afraid. We can only blame the shortsightedness of the colonial administrators of that time who yielded a territory which should have remained Canadian.

Mr. Speaker, let us be realistic, let us be proud of being Canadians, let us be proud of the Trans-Canada Highway on Canadian land, connected now and then in the Atlantic region by ferries, under the confederation agreement.

● (1740)

We did not lack imagination at the time of the design and of the construction of the Trans-Canada Highway. And if it is true that this system cannot meet present demand, let us roll back our sleeves once again and get to work. Let us go on building this nation, let us try to find solutions in our country before bowing to our southern neighbour.

Mr. Speaker, I reject Bill C-272, I cannot support it on behalf of my constituents and on behalf of the hundreds of thousands of other Canadians for whom the Trans-Canada Highway must be upgraded if they are to survive. Our government is now inviting us to show restraint, and the times are particularly difficult for the eastern provinces which have urgent needs in all economic sectors, especially that of infrastructures and means of communications. It seems to me that it is much more important to help the

provinces in these areas than to implement corridor-highway proposals.

As everyone knows, a four-lane highway now connects Ottawa to another highway coming from Toronto and both highways become one just before the Island of Montreal and this four-lane highway goes on as far as Rivière-du-Loup, and even further in the direction of the Gaspé peninsula. But from Rivière-du-Loup to the New Brunswick border, this magnificent national highway is reduced to two lanes and, as we know, over nearly all its length, except for two sections, bypassing two cities, this highway has only two lanes.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but his time is now expired.

[*English*]

Mr. Maurice Harquail (Restigouche): Mr. Speaker, this is my first intervention in debate and my first opportunity to address myself to a bill in this House. I at first contemplated waiting to participate in the debate on the bill with regard to capital punishment. I thought I might have had an opportunity to speak for the first time in the House on the occasion of a Speech from the Throne. However, when I had occasion to read Bill C-272 with respect to the proposed Maine corridor authority and saw that it would adversely affect my constituency, I decided I should participate in today's private members' debate.

I am opposed to this bill. During the course of the debate I will explain my reasoning and my views that bring me to the position that I take today with regard to Bill C-272. As I started out to say, I never dreamed that my first intervention in the House would be with regard to spending money for negotiating with people south of the border with a view to constructing a highway to take people out of our country. This is the indication that I get from the bill. I do not understand the logic or reasoning behind such a joint agreement which would do nothing but bring adverse effect to the region I represent, indeed to the entire northern part of New Brunswick.

The establishment of a Canada-Alaska and Maine Corridor Authority could only be supported if it could be proven that the construction and maintenance by the United States government of an inter-state highway through the state of Maine joining the provinces of Quebec and New Brunswick, and improvements by our governments to parts of the Alaska Highway that lie between Alberta, British Columbia and the Yukon Territory, would be of very great benefit to Canadians as well as being a sound proposition in financial terms.

There are many questions that come to mind. Who are the promoters of this corridor proposition? Who will actually benefit? In my area we have been experiencing problems for decades in an endeavour to achieve some measure of success with regard to having the provincial government accept its responsibility under the British North America Act, a responsibility it likes to refer to from time to time in retaining its authority and autonomy. While it pleads that the Province is autonomous, we often find that it is lacking in action in carrying out its responsibilities. I refer specifically to the completion of highway No. 11 between Moncton and Campbellton, New Brunswick, and highway No. 17 between Campbellton and St. Leonard, New Brunswick.

● (1750)

As a result it becomes quite obvious that I could in no way support this bill when in fact in our region of New Brunswick we have been waiting for years to have the proper priorities placed by the provincial government on utilizing those millions of dollars which have been provided to it by the federal government, and to fulfil the many promises that have been made by the provincial government to complete this highway between Campbellton and Moncton.

In the latter part of October or the early part of November there was a regional meeting conducted in the city of Bathurst where some 125 elected representatives were brought to a joint meeting between the federal, provincial, and municipal people to consider the completion of route No. 11. The premier of New Brunswick was in attendance with an entourage of deputy ministers and other ministers and officials of the department of highways, as well as the minister of national resources. After a full day's session of discussion about the completion of this all important route No. 11 we were at no time successful in getting one indication of agreement from the premier of New Brunswick that he would even give it consideration as being a matter of priority to complete this highway. This was his position notwithstanding the fact that our federal government has provided that province with some $55 million over the last number of years, money which, we were told, would go toward the completion of this highway. So while the present Hatfield administration in New Brunswick takes this attitude I cannot sit here and allow consideration of a bill which would shift the priorities to a corridor road in another country.

As was mentioned by the hon. member for Madawaska-Victoria (Mr. Corbin) we have many other priorities. The present provincial administration is cutting back on schools, cutting back on hospital beds, cutting back on practically every front in the province, including my riding, and I can see where with the position the Hatfield administration has adopted there will be a continual dragging of feet with respect to the completion of the construction of route No. 11 between Campbellton and Moncton.

The explanatory notes attached to this bill state that the voters of the state of Maine have twice voted against the expenditure of money for highway projects which would principally benefit Canadians. When one reviews the material, information and statistics with respect to the financing of this project, and the material contained in this bill, one can quickly conclude that this type of project should not be allowed to go any further than the stage at which it has now arrived. I mentioned the attitude of the New Brunswick government at the moment, not forgetting the importance of the province of Quebec where my riding borders on the province on Quebec through the interprovincial bridge at Cross Point.

The hon. member for Laprairie (Mr. Watson) has mentioned the importance of tourism. Of course we all know the importance of tourism. That is one of the reasons why I am speaking with regard to the importance of completing this highway between Moncton and Campbellton, New

Brunswick. But with the completion of the new highway between Quebec and Gaspé, route No. 20, there is a much more comfortable and convenient way for people from Ontario, Montreal, or from the Quebec region to get to the northern part of New Brunswick driving through route No. 11 to visit the Fundy park area, the Kouchibouguac park area, or indeed, beautiful Prince Edward Island.

I heard a question asked as to whether people would be able to get there conveniently, and I should like to assure the hon. member for Laprairie that with the excellent condition of the newly constructed highway, route No. 20 in Quebec, this should not be a worry for him at the present time because of this high speed modern highway. But we must at all times keep in mind the priorities in hand and should not be getting into discussions and negotiations with governments in another country to construct highways, when we have proposed highways that have yet to be constructed in our own provinces, and indeed throughout Canada.

So, as I mentioned in my opening remarks, from the figures and from the research I can come to no other conclusion than that the United States has more to gain from this joint venture as proposed in Bill C-272 than does Canada. Bear in mind, too, what I have stated about the serious problems which face us now in my area and northern New Brunswick—the high unemployment, the cutting back of hospital beds, the cutting back of educational facilities, and all the other negative actions or programs that are being imposed on our people at the moment notwithstanding the millions of dollars that are being pumped into our province by the federal government.

In this context it just makes no sense to be debating or to be discussing the pros of Bill C-272 when we should be concentrating on working together—I have in mind specifically the members from the Atlantic region—in a concerted effort to see that these moneys are spent in those areas where they have been designated to be spent, and that priorities are indentified and supported by all to ensure that we can develop and grow in our region at the same pace as Canadians hope to do in all other parts of our great country.

I certainly did want to take the opportunity this afternoon, albeit in my first intervention, my first opportunity to deliver remarks and address a bill in this House, to oppose a private member's bill, but I felt the subject was of serious magnitude and important enough to the people that I represent and indeed, as I have mentioned, to all the residents of New Brunswick, to justify my rising in my place today and speaking against Bill C-272, in the hope that we may be able to develop some planning whereby we can reach a joint agreement between the various representatives of the Atlantic region and the members from my province of New Brunswick. Thus, we might all work together to insist that the federal moneys that are going to the province of New Brunswick are spent in the way they are designated to be spent. Once again I emphasize the importance of the completion of the highway between Campbellton and Moncton, that being route 11.

Mr. Deputy Speaker: Order. It being six o'clock, the hour appointed for the consideration of private members' business has expired. I do now leave the chair until eight o'clock tonight. At six o'clock the House took recess.

[Mr. Harquail.]

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

MEDICAL CARE ACT

AMENDMENT TO LIMIT ANNUAL INCREASE IN PER CAPITA COST OF INSURED SERVICES UNDER MEDICAL CARE PLANS

The House resumed consideration of the motion of Mr. Lalonde that Bill C-68, to amend the Medical Care Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs, and the amendment of Mr. Gilbert (p. 11210).

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, it had been my intention when calling it five o'clock to conclude my remarks at that point, but I thought the better of it. It occurred to me that there are some hon. members in the Chamber this evening who might not have been here earlier and therefore are unaware of some of the important truths I was putting on the record.

Mr. Sharp: Thank you, Max.

Mr. Saltsman: Particularly the Acting Prime Minister (Mr. Sharp), who I know is very much concerned with hearing what I have to say on the question of his government's proposed cutback on medical services, so I have set aside my own selfish interests in favour of the national interest and decided to continue the remarks that I commenced before the dinner hour.

I also thought there would probably be some hon. members who might have some questions to raise with me. I would be very happy to answer any questions that arise. I see the hon. member for Oshawa-Whitby (Mr. Broadbent) rising to ask me a question.

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

Mr. Saltsman: Certainly.

Mr. Broadbent: Mr. Speaker, I must say it is very thoughtful of hon. members to permit me to ask this question. Would the hon. member in all seriousness inform the House whether these cutbacks are part of the general approach of the government to cutbacks during a period of deflation?

Mr. Saltsman: In reply to that question, I would hate to think that the Liberals are that insensitive to the needs of the country, but unfortunately one must come to the conclusion that they are. When looking at the various areas in which they could cut back or raise revenue, it is appalling to think that they would start with something so vital as people's health. For instance, when one considers the very generous attitude of the government toward the corporations of this country—the depreciation allowances that have been granted, the reduction in corporation tax—one would have thought that before making cuts in medical

services the government would have introduced in its budget at some time in the past, or would have indicated it intends to do so in its next budget, some way of collecting more revenue in order to ensure that essential services like medicare are continued. This it has not done.

There are, of course, many benefits that the government provides to industries. These kinds of welfare payments are not being reduced in any fashion. Therefore, Mr. Speaker, one must conclude that Liberals have their priorities somewhat wrong and are to be criticized for lack of sensitivity and understanding of what the true national priority should be. I hope that answer satisfies the hon. member.

Mr. Broadbent: A very good answer.

Mr. Kaplan: Will you take it up tomorrow morning?

Mr. Saltsman: I would be very pleased to take it up tomorrow morning. If I could get unanimous consent of the House to continue beyond 40 minutes, I should be very glad to take it up this evening; otherwise I will do so tomorrow morning. I would much have preferred to speak 10, 15 or 20 minutes.

● (2010)

I am sure there are others who would have agreed with me that I should have spoken for a shorter period had I felt that, in that period, the sense of what I was saying and the importance of maintaining a commitment to medical care had gotten through to the government or at least to the acting Prime Minister, that very distinguished gentleman. If he would rise in this House, say he has listened to the arguments put forward by the opposition, say he understands what we are saying and that he is prepared to defer the passage of this legislation and indicate to the House that he will wait until he meets with the provinces, then I would be glad to sit down with the feeling that I had accomplished something of value in putting forward these ideas. However, there does not seem to be any intention on the part of the government to engage in this debate or to rebut any of the points put forward by the opposition. I guess the word is out to the backbenchers that they should not offer any encouragement.

I am rather surprised that the hon. member for Pontiac (Mr. Lefebvre) was so generous with me. He is a very able fellow. I think he deserves to be in the cabinet, but I wonder what this will do to his chances of being in the cabinet.

An hon. Member: You are a constituent of Pontiac as well.

Mr. Saltsman: If I were a constituent of his I would be writing to him every day.

An hon. Member: Telling him to smarten up.

Mr. Saltsman: I would be more polite. In Waterloo we are more straightforward; we say things straight. I would have told the hon. member for Pontiac that I understand the whip has told him not to do anything to delay the passage of the legislation but that I would think a man of his intelligence would not go along with that and would rise in the House of Commons and would point out that medicare is one of the best programs that has been introduced in this House.

I would tell him that I think he should take some pride in the fact that the Liberal Party introduced it, after some prodding over a period of 35 years by the NDP. I would tell him that nevertheless this is something for which he should take credit. He should say that this is good legislation and that they intend to honour the commitment made to the provinces at the time it was introduced. I might, even under those circumstances, vote for him as my member—it would be very unusual for me to do a thing like that—because under the circumstances this would be justified. I believe there are many members on the other side of the House who do not feel very comfortable with what the government is proposing.

Mr. Nystrom: Like Gus MacFarlane.

Miss Nicholson: Pick on me for a change.

Mr. Saltsman: I would not pick on the hon. member for Trinity (Miss Nicholson). She has had a distinguished career in the field of social services. I am sure she has a deep concern for the people who will be affected by the cut-back in medicare because she knows that while we have not really been able to close the gap in income between those at the bottom and those at the top one of the things we have been able to do is give at least equal medical services to every person in this country.

The only real advance we have made in this country in the fight against poverty has been in the provision of services to people. Medicare is an equalizer. In order to obtain medical services in Canada today one does not have to have a great deal of money. Everybody is covered in respect of medical services, and to that extent this is an area in which we have total egalitarianism. I think the hon. member for Trinity would agree with that. I would certainly welcome her participation in this debate so that she could give us the benefit of her advice in order to reinforce the points we are making on this side of the House.

It seems that my comments have satisfied the members of the House. There does not seem to be any desire to ask any further questions. I think I have satisfied my commitment to the hon. member for Winnipeg North Centre (Mr. Knowles) in respect to the 40-minute limit, and therefore I shall thank hon. members for the careful attention they have given my remarks.

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, the debate on this bill takes me back a few years to the time when the Prime Minister (Mr. Trudeau) was revising old federal-provincial programs and inventing new ones. At that time the clarion call was for medicare. The provinces were asked to opt in but they were told that they could opt out. They had a choice. The shoe is now placed on the other foot. Now the Prime Minister is saying that the government wants to opt out.

It would have helped a bit if the Prime Minister had called for consultation with the provinces before tabling this bill. But typically the provinces found out about this proposed cut-back by the government only after the bill was finalized and tabled in the House. There have been

many federal-provincial conferences. One should have been held regarding this serious matter before the bill was tabled or before it was even written. But that was not the case. This is an example of the way the Liberal government imposes its will or whims on the people. This is the Prime Minister's way of consulting with the provinces. He does so through the medium of the press.

There is now a new axiom abroad in this country about which we will hear more. We will hear more and more of it in the future. "Trudeau times are tough times." These are times of unemployment, inflation poverty and discontent. Now we have the refusal of the government to honour its national health obligations. Liberalism, which was so free with the people's money in 1969 when federal medicare was brought in now withholds money from the people through the curtailing limits of Bill C-68. Government inefficiency and waste of the taxpayer's money in many other federal fields are the direct reason for the cut-backs contained in this bill. They are the direct reason for the embarrasing position in which the government finds itself today.

The government is bankrupt in respect of policy and purpose. It is severely financially embarrassed. Despite its precarious position the government has the nerve this year to ask the Canadian people for more than $42 billion, yet it cannot honour its medicare commitment for public health care across our country. I have said before in this House that Liberalism is the greatest deception that has ever befallen Canada. The government certainly is running true to form at the present time in respect of its policies. The federal government is opting out; more than that, it is copping out. What a sham this makes of our federal-provincial relations in our main shared-cost project, medicare.

● (2020)

Some of my hon. colleagues have already documented the sorry story of how my own province of Ontario was bludgeoned into joining the federal government's medicare plan when it had a better one itself. We had Blue Cross and Physicians' Services. In spite of the fact that we had a better plan already in operation, if we had not joined the federal plan the taxpayers of Ontario would have had to pay a disproportionate share of the federal plan, as well as the full cost of our own plan. That is the main reason why Ontario joined. That is the main reason why other provinces which had made a start on their own medicare joined this plan. I wonder what the Prime Minister would have done if Ontario at that time had said it would not join the federal plan and that it would not pay any part of the cost of the plan.

What is the background of this matter? In 1969 Ontario had its own private program—and it worked well—PSI and Blue Cross. Ontario was forced into joining the federal plan, as Ontario residents were taxed by the federal government to help pay the national cost of health care. In 1969 $225 million was the estimated cost to Ontario taxpayers. Ontario suggested it should be able to keep this money and its own plan. The federal government of the day rejected this; thus the federal plan led directly to the province building facilities in the high cost area, some of which now must be cut back because of the federal government welshing on its contract. Thus also the ceilings just imposed have affected Ontario's decision to cut back. In 1968 the federal government wanted to get all the provinces into the one scheme. Ontario hesitated, as it had a good plan of its own. The premier of the day was concerned that if Ontario entered, its costs would grow at too high a rate, and this has been the case.

Our Ontario premier of that time suspected that the federal government could not be trusted to honour this or any other agreement, and he was right. But our premier took the federal government's proposals, or veiled threats, on faith at the time, and we have kept up our end of the bargain. Now we learn that the government has imposed this ceiling on increases in federal participation in spite of the fact that, like everything else, the cost of medicare has been rising.

We have also learned, and again without prior consultation with the provinces, that the present medicare arrangement will run for only a few more years, and we will be back to square one. We in Ontario will be able to adjust to this new situation, I hope, but here again we cannot really be sure that the Prime Minister will not be back again in a year or two telling Ontario and the others that we have to get back into a federal medicare scheme. In fact, as we all know by now, where this government is concerned we cannot be sure of anything.

It has already been pointed out that the Province of Ontario has been getting the short end of the so-called 50-50 arrangement with the federal government. Now, with the ceilings which have been imposed and with the inflation which is rampant in our country, most of which can be laid at the doorstep of federal spending, we have been getting about 43 per cent of shared costs for medicare and about 40 per cent of the shared cost of the high cost item, hospital insurance.

The government of Ontario must have smelled something in the wind last year when Bill C-68 was first being kicked around. At that time the government was deluged with complaints from the medical profession that Bill C-68 would be a backward step in the concept of medicare, and here it is, like a knife between the provincial shoulder blades, and that applies to every province in Canada. Ontario has suffered doubly in the shared-cost deal with the federal government because of the fact that the government's lowest area of participation has been in such things as home care, nursing home care, preventive medicine and other areas where the province has been trying to cut down on the need for hospital admissions. Knowing that something was going to happen, namely, this federal Bill C-68, the province was forced to assess the real needs for hospital beds and balance these against the available beds.

In the early days of the present medicare scheme the government's largest share of costs was in the field of hospital construction and operation, and every town and hamlet in Ontario seemed anxious to have its own hospital. Many of those were needed, but there was a certain amount of over-building. This situation is being adjusted now, but according to the provincial opposition the province is yanking beds out from under the people who need them most. The plain fact is that there are now and will be adequate hospitals and hospital beds to meet the needs of our people. In the process of bringing hospital beds in line with actual need the province stands to save about $50 million per year, and this has to be done, in view of the

decision of the federal government to abandon the commitment it made to all the provinces several years ago.

I join with my colleague, the hon. member for Parry Sound-Muskoka (Mr. Darling), in drawing attention to the shameful tactics of the NDP in this matter. That party has tried to subvert this dereliction of responsibility on the part of the federal government into a provincial election issue. I was pleased with the response from the provincial premier when he challenged the NDP to force an election on this question. As the hon. member for Parry Sound-Muskoka said earlier, the NDP has been dangling imaginary corpses before the people of Ontario and clouding the issue, instead of directing the blame where it rightfully belongs, right here in Ottawa at the doorstep of a government which has its priorities all mixed up.

It is a strange paradox indeed when the federal government complains that the money it is spending on medicare shared-cost programs must be redirected to more important programs and projects. Where in our country do we have anything more important to our people than public health. Last year I believe the federal government's share of medicare costs amounted to less than $1 billion and it is complaining now that since the cost of medicare has risen by 16 per cent it must re-examine its role in this vital program.

I suggest that the federal government re-examine its program of capital construction of buildings which are not needed at this time. They are not needed as much as the Canadian people need a medicare and hospital insurance program. I see in a press release from the Department of Public Works that that department is planning to spend $312 million on new construction for 1976-77, more than half of which is to go to the province of Quebec. The press release neglected to mention the new $88 million language school to be built in St. Jean, Quebec, and when this is added to the other capital construction projects it comes to over $200 million in public works in the coming year for that province alone.

I suggest that surely we could find the money in this year's estimates of over $42 billion to finance an even better medicare and hospital care program. Medicare is part of the fabric of Canadian society, as important to us now as any program we have, and far more important than such programs, for example, as the extravagant, wasteful and divisive official languages program. If the current social policies of the Trudeau government were properly circumspect regarding the needs of the people, and if the government were as responsive to public need as it is to its phony, expensive and divisive policies of bilingualism and biculturalism, we would not be confronted with the present social discontent and troubles which perplex us.

● (2030)

It has been suggested that, rather than scaling down federal government participation in medicare, we should be consulting right now in an effort to find ways to improve the situation. It is well known to both the federal government and the provinces that the high cost of the program can be attributed to two factors, the construction and maintenance of hospitals and the maintenance of an adequate cadre of doctors. We know that some parts of the country have a surplus of doctors, and we know that some provinces have a surplus of hospitals.

Now that we have gained several years' experience in operating a federal-provincial medicare program we have learned enough about how such a system works to be able to sit down and compare notes, and to devise ways of getting the same level of care at lower cost. During the life of our medicare program we have had an advantage that other countries, namely, the socialist countries, have not had in running such programs. We have had the advantage of the free enterprise system working side by side with governments in trying to get a maximum of care and services at the lowest possible cost.

If we had not had this distinctive character in our medicare system I shudder to think of what the cost would be today. In addition we have had the dedication and devotion of our scientific community, working at a disadvantage sometimes in government funding, seeking cures for diseases and seeking ways to shorten the treatment time for other diseases. With each discovery by our medical researchers we find that the requirement for extended hospital care is reduced and we find that the useful life of many of our citizens is extended.

I cannot accept the logic in the government's scaling down of federal participation in medicare, and I cannot accept the reverse logic of reducing federal support for medical research. That is probably the spot where we lose the most in setting these limits on federal spending.

I have to wonder how the federal government establishes its priorities. On the one hand we have the government reducing federal subsidies for medical research, and, on the other undertaking almost half a billion dollars in capital construction that could be postponed. We see the government holding the line on medical research, which is the same as reducing its participation, and then we hear that the government is building an $88 million language training centre. Mr. Speaker, I place a much higher priority on the health of our citizens than I place on language training. It is almost like giving people a choice of what language they choose to die in. I place a much higher priority on medical research than I place on unneeded new public buildings.

Medical research has a vital role to play in the over-all concept of universal medicare. If it had not been for the discovery of insulin, for instance, tens of thousands of Canadians would be subject to every-day treatment in order just to survive. Because we do have insulin those people can look forward to longer and more useful lives, at little expense to the medicare system.

It has been pointed out on numerous occasions in this House that the United States government spends ten times as much each year on heart research as we spend on all medical research. The United States government spends ten times as much each year on cancer research as we spend on all medical research combined.

An hon. Member: How about the population?

Mr. Alkenbrack: I know their population is ten times ours, but in the first case I said they spend ten times as much each year on heart research as we spend on all medical research.

It is little wonder that many of the top medical researchers in the United States are Canadians, trained in Canada but working in the United States because they have ready access to research funds. Every year more of our best researchers find positions south of the border and I am getting sick and tired of the government policy, or lack of policy, that is causing us to lose the fruits of their research.

More than one of my colleagues in this House have called on the government to withdraw this bill and enter into meaningful and open discussions with the provinces on the state of medicine in this country and to work out the direction it should take from here. That is what we should be doing, working with the provinces rather than trying to welsh on the commitments made to them. I join with them in saying to the government that we cannot accept such an attitude on the part of the government on such a vital issue. For any minister of the government even to suggest that this matter is not open to discussion and negotiation is despicable. This is not Cuba. I know what the Prime Minister's attitude is toward our parliament and I know full well what his attitude is toward federal-provincial relations. But I suggest that the Prime Minister and his Minister of National Health and Welfare (Mr. Lalonde) should adopt a different attitude.

We need more, not less, federal participation in medicare. We need more, not less, federal participation in medical research. Medicare and medical research must work hand in hand to meet the standards of treatment and to find cures for the diseases that immobilize our citizens, fill our hospitals, and occupy the time and efforts of our doctors and nurses. Every discovery by medical researchers frees more of our citizens for productive activity. Every discovery reduces the demands on our medical people and facilities.

I call on the government to convene a conference of health ministers and abandon its current excuses. They should get together to discuss a policy that will be honest and fair to the provinces and the people of Canada.

Mr. Kaplan: Mr. Speaker, would the hon. member permit a question?

Mr. Alkenbrack: Yes, Mr. Speaker.

Mr. Kaplan: The hon. member said the government should spend more, not less, on medicare. I wonder if he is aware that this bill proposes a very substantial increase in the cost of medicare, not a reduction. It proposes 14.5 per cent for next year, which is more than the anticipated inflation and more than the increase in the gross national product. Does he realize this when he criticizes the government's approach to such expenditure?

Mr. Alkenbrack: Mr. Speaker, I am glad the hon. member asked that question. The rate of federal input is still reduced by the ceilings. Moreover, the ceilings that the hon. member mentioned are not even pro rata with the total rate of inflation under this government, nor do they keep in pace with our increase in population.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in speaking at this stage I want to try to put Bill C-68 in a somewhat broader context in terms of the Liberal party's philosophical approach to governing in this country.

[Mr. Alkenbrack.]

The Liberal party never does anything unless it is kicked into it, either because of a marked shift in public opinion or because of some electoral happening that results in a minority government situation. It then suddenly becomes very progressive. When it has a majority it goes right back to its true tradition which is to maintain things as they have always been, particularly the distribution of wealth, or it tries to move marginally to the right so that the rich can get somewhat richer. That, precisely, is the effect of this bill.

● (2040)

A society can solve maldistribution of income two ways. The first method is by dealing with the problem head on, dealing directly with the hourly wages or salaries paid to people. The tax system can be used to redistribute income. In the alternative, the government can implement programs, or services, paid for by the general community. These free the people in the community from the obligation of paying directly for goods or services provided by the programs. Medicare is a good example of the latter situation.

The government, by providing a tax supported medical service for all people of this country, has been redistributing part of our wealth. We have enabled the poor and people of average income to obtain services which, if left for the open market to provide, they never could have afforded. That precisely is why Canada and other societies provide that kind of universal service.

Bill C-68 would limit the federal contribution in years ahead to medicare. What is wrong with the measure? First, it reneges on the government's obligation to virtually every province in this country, of whatever political stripe. Each province feels that the government has reneged on a profound commitment to share on a 50-50 basis, without ceiling, the cost of medicare. Therefore this bill represents a betrayal of a principle, the reneging of an agreement entered into some years ago.

Second, it will increase the degree of inequality in Canada. If the provinces, particularly poor provinces, are forced to pay higher cost they must obtain revenue which the federal government would have provided from other sources. It is difficult for provinces, particularly poor provinces, to do that. They will need to introduce regressive measures such as deterrent fees or sales taxes to pays for programs their people require. Therefore in terms of Canadian federalism this bill is a step backward, a step which, on balance, favours richer provinces more than poorer provinces. That is the first major implication of this bill.

But even richer provinces will have less money to pays for medical services. When richer provinces like Ontario feel the pressure and are forced to cut back their share of spending on medical programs, the poor people and average income earners even in those rich provinces will experience a relative decline in their position in society. That is the implication of the Liberal party's approach to medicare at present. The immediate result of this bill will be an increase of inequality in our society. The rich will never suffer; only the poor and average income earners will get the boot in the pants from this action.

An hon. Member: The government will argue that suffering is good for the soul.

Mr. Broadbent: That is right.

As I said at the outset, this action is not an aberration on the part of the Liberal party; it is typical of the Liberal party's attitude, an attitude it has shown ever since the Prime Minister (Mr. Trudeau) first took office in 1968. Contrary to Liberal party propaganda, inequality in our country since 1968 has increased, not decreased.

In 1974 the bottom 40 per cent of our population had a smaller share of the national income than they had in 1968, when the Prime Minister first took office. By contrast, the richest 40 per cent of our population have acquired a bigger share of the national income between 1968 and 1974. Since the Prime Minister has been in office inequality in Canada has become worse, not better. Some may say that the government by providing benefits through government agencies has mitigated this inequality; the evidence does not support that view.

Look at the cutbacks the federal government announced late last year, as part of its bizarre and, from our point of view, immoral approach to dealing with inflation. Those cutbacks clearly show the government's bias. Why do I say it is immoral? I say it because those cutbacks bear most heavily on people of average and low income.

First there was the family allowance change. The government said that it would not index family allowances, and those allowances would not rise accordingly in 1976. The Minister of Finance (Mr. Macdonald) announced the great surtax on the rich just before Christmas. If I recall correctly, he announced the surtax the day before the cutbacks were announced. That is when he brought forward his marvellous, progressive, innovative, imaginative and egalitarian surtax on the rich in Canada. And what did marvellous, radical Liberal move amount to? It meant that the tax increase for a man with two kids earning $35,000 a year would be 35 cents. I know it does not take much to convince a Liberal that a minimum program is progressive. Yet surely some in the Liberal party must think that is going a little far. Can they honestly say that by imposing such a small tax they were ensuring that the rich will bear their share of the burden of fighting inflation?

I thought that, given the reaction to the announcement made just before Christmas, it would be a miracle of miracles if the tax did not put the Liberals to shame. But no, it did not. Let me tell the House what happened. Just the other day all the recipients of family allowance in Canada, and old age pensioners, got a personal letter from the Prime Minister in which he mentioned the marvellous, progressive steps the Liberals were taking in making sure that the rich bore their share of the tax burden. Unfortunately he neglected to mention that the extra tax was 35 cents for a man earning $35,000 a year.

Once it has a majority, the Liberal party feels no shame.

An hon. Member: Come, now!

Mr. Broadbent: I would welcome the hon. member's intervention in the debate. If the hon. member wishes to ask a question, I will gladly sit down.

An hon. Member: No, no, you cannot answer my question.

Mr. Broadbent: I see. I suggest that, even with minimal intellectual resources, I might attempt an answer.

I have illustrated the approach of the Liberal party when it has a majority. It fights inflation by hitting at the poor and average income worker. Just look at the cutbacks it announced before Christmas. It removed indexing from allowances, cut back the crop insurance program, cut back the Farm Credit Corporation program which affects farmers from St. John's, Newfoundland, to Victoria, B.C. It even announced cutbacks in financial assistance for the CNR. The CNR of course is particularly important to Canadians in northern Ontario, eastern, and western Canada. But the government announced those cutbacks.

● (2050)

The government announced cutbacks in the Department of Regional Economic Expansion which, of course, was set up to deal with poverty in the regionally depressed parts of Canada. It announced cutbacks in medical research, which the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack). It announced cutbacks in those programs that are trying to come to grips with poverty in Canada and which are making some real progress. I think in particular of the Company of Young Canadians.

That was the government's general approach to dealing with inflation. It did not cut back, of course, on expenditures in the Prime Minister's office, which is surely a give-away. That is an important symbolic thing. Hundreds of thousands of dollars have been spent in that office in the last few years which, on a per capita basis, is not all that much, but in terms of its symbolic significance would have meant something. It did not cut back there. I am being perfectly serious.

The government did not cut back in the area of grants to corporations. This does not make any economic sense. Last May the then minister of finance had a report presented to him assessing the impact of the rapid write-off tax provisions which the same minister of finance had presented in the budget one year preceding. The assessment by people appointed by that minister, not by the New Democratic Party or members of other opposition parties, was that the tax concessions, in the neighbourhood of $1.7 billion, were economically not necessary. Surely that says something. Over half the recipients of those financial benefits indicated to the government in that survey that they were not motivated in their financial decisions by these particular tax concessions. In short, they were windfall profits. They would have made the same decisions if the program had not been in existence.

If over half the recipients indicated that, and of the rest a good number did not reply, I suggest to the government, which was responsible in terms of spending, that it should have scrapped that program right off. This past Christmas when it was considering cutbacks in government expenditure, instead of cutting back in all those areas that I listed which affect average and low income people from coast to coast, it should have done this with the corporate sector. However, the Liberals know who their friends are and they did not do so.

The other thing they might have done, shock of shock, is bring in a progressive income tax structure. They could start taxing those who earn $30,000 or more per year in a significant way in order to do something about narrowing the gap between the affluent in our society and the poor. They did not do that either. The Liberals turned to the average and the poor in terms of programs that affect them, and made the cutbacks there. Bill C-68 does precisely the same thing.

The real significance of this bill is that it goes against the principle that a national program shared by the federal government on a 50/50 basis and providing a service to all, means by definition that the average and the poor will not have to pay directly for that service at market price which, prior to this coming into being, was substantially higher.

The point was made, but little noted in this debate, that as a percentage of our gross national product we are spending less now on medicare than when the program was first introduced. When it was first brought in we were spending more. It is true that in absolute dollars we are spending more now on medicare, but of course we are spending more on virtually everything. That is what inflation has been all about. The real test is how much we are spending in terms of our gross national product. I repeat the point that we are spending less on medical services now than when the program first came into being.

If the government were serious about effecting per capita reduction on over-all costs over a longer period of time it would have been encouraging provinces such as Saskatchewan, Manitoba, British Columbia, and indeed Quebec, which in recent years have introduced preventive medical programs in which the federal government has not shared in the paying. It should have been encouraging expansion of this kind of program so that down the road we would have fewer sick people to deal with and, therefore, a reduced medicare cost. That would have been a more imaginative approach. It might well have involved spending more money now to achieve those objectives, but in the long run the per capita costs could be brought down.

A number of my colleagues, in fact almost all of them, have spoken on this bill and on the amendment. We have done so because we think medicare is a profoundly important social principle, that medical service should be taken out of the market place, that this kind of program introduces an element of equality in society which all of us should participate in, and because the government, via Bill C-68, is taking a regressive step. It is taking us back to the kind of society that existed before universal medicare was introduced.

We have opposed this bill. We did not expect the government would renege on its commitment some months ago to the provinces by proceeding with the bill. We did not expect the government to go back on indications it had given to a number of provincial ministers as recently as last Christmas by re-introducing it. Having done so, the New Democratic Party has made it clear that we are opposed to it. We are going to continue opposing it. We hope, even at the last instant, the government will see the light and change its mind. I hope so.

Mr. Saltsman: Mr. Speaker, I wonder whether the hon. member would entertain a question.

[Mr. Broadbent.]

Mr. Deputy Speaker: This can only be done with the consent of the hon. member who had the floor. Does the hon. member give consent to the hon. member for Waterloo-Cambridge (Mr. Saltsman) to ask a question?

Mr. Broadbent: Yes, Mr. Speaker.

Mr. Saltsman: I must say I listened with great appreciation to the words of wisdom from the distinguished leader of the New Democratic Party.

Some hon. Members: Hear, hear!

Mr. Saltsman: The question I would like to ask the hon. member is: in view of the fact that the future is going to call for a great deal of co-operation between the federal and provincial governments of this country and that there are many problems that will have to be solved by agreement between the two levels of government, is it the view of the hon. member that the federal government reneging on its promise to medicare is going to jeopardize that kind of co-operation for those important programs of the future?

Mr. Beatty: This sounds like an NDP caucus meeting.

Mr. Broadbent: I am glad that question was asked. I suspect my answer will not surprise the hon. member. One of the inevitable consequences of this kind of action, particularly since the minister had indicated to a number of his provincial colleagues from all parties that this bill would not be introduced, whereas in fact of course it has been introduced, is that there is no reason for the provinces to expect the government or the minister to be any more reliable with respect to any other commitments they may make.

● (2100)

Mr. Saltsman: A further question, if I may. Can my hon. friend tell the House whether any of the provinces have received this bill with any degree of enthusiasm—whether any of the provinces think this is wise legislation, including those which have Liberal governments?

Mr. Broadbent: That too is a good question. The evidence is that none of the provinces agree with the government as to the wisdom of this legislation, even those provinces which have Liberal administrations. I would be interested to hear the private views of the premier of Nova Scotia with regard to it. I am sure he would be very much opposed.

Mr. Saltsman: A further question, Mr. Speaker—

Mr. Deputy Speaker: Order. Hon. members may ask questions for additional information but this is not the time or the place to enter into debate or to ask questions of a general nature. The hon. member knows that this is the second reading stage. However, I am ready to allow him one final question.

Mr. Saltsman: Thank you, Mr. Speaker. I appreciate the comments you have made. Nevertheless I wish to follow this important question through because it is most desirable that we should obtain the views of someone who is also known as my hon. friend from Oshawa-Whitby.

Some hon. Members: Oh!

Mr. Saltsman: In view of the fact that the federal government made a great point, in connection with its prices and incomes policy, that it really needed the consent of all the provinces for the program to work, and has carried out enormous propaganda aimed at getting the provinces to help it—

Mr. Deputy Speaker: Order. The hon. member will understand why I hesitated to allow a further question. He appears now to be affirming something. If he wishes to ask a direct question he may do so as far as the Standing Order permits, but this is not the time or the place to make affirmations and ask an hon. member to comment on them.

Mr. Saltsman: One of the difficulties about being here any longer than two years is that the boundary between statements and questions becomes somewhat blurred. However, I will try to restore the distinction and ask a question directly. Can the hon. member explain why the federal government should have insisted on co-operation in one area while refusing to extend that co-operation in the area of medicare?

Mr. Broadbent: The answer is clear. The Liberal party has a long history of duplicity.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, it is essential that hon. members consider Bill C-68 through which the Canadian government is amending the present medicare legislation. Mr. Speaker, although this legislation is not very extensive, it is meant to alter substantially the universal medical protection scheme in Canada.

Mr. Speaker, this bill is important for two basic reasons. It questions again the sharing of responsibilities and powers among the various levels of government in Canada, both federal and provincial; it also questions the cost sharing of those programs. This means that since we live in a federal system, this sharing must be done after many intensive and effective negotiations between both levels of government directly concerned in such a bill.

Before talking about the substance of this bill, I would like to say to the government and to the minister who introduced this bill that I cannot support its approach which aims at imposing unilaterally a new cost and responsibility sharing formula, and I would like to emphasize the word unilaterally.

I am well aware that the minister and the government spokesmen say that there have been numerous discussions at the provincial level, but with what results, Mr. Speaker? Can the government table tonight copies of the agreements that have been made to support the administrative aspects or the principles of Bill C-68?

Mr. Speaker, in the past, when we had such debates in this House, government members emphasized the advantages of federalism and especially the importance of the great social philosophy of the Liberal party. Mr. Speaker, without the Liberal policy, we would not have the social assistance programs that we have in Quebec, we would not have medicare, and many social security programs would not exist if it were not for the wonderful Liberal party. I am sorry to say this, Mr. Speaker, but I say so in a non-partisan manner since it is the truth.

Tonight, we are asked to pass a bill which aims at reducing the federal financial responsibility towards a program which the federal government itself forced us to accept originally. How can the government ask us today to contribute less to a program that it implemented itself when, at the beginning, Mr. Speaker, Ottawa and the provinces had not agreed that there would be subsequently a unilateral revision and cost distribution?

This is the constitutional aspect of Bill C-68 which can certainly cause vigorous protest in the House by those who are more provincialist than federalist. The fact remains that this little ball game, this constitutional game is being played and varies according to the political situation of the day, whether it is profitable or not. Mr. Speaker, this is being conducted on the back of Canadians. A great truth which I believe everyone agrees with is that regardless who pays for medicare costs, whether it is Ottawa or the provinces, it always comes out of the taxpayers' pocket.

● (2110)

In the financial system in which we live and which is protected by the present governments, they have only two sources of revenue—loans and taxation. In the case of loans, again Canadians have to pay a surtax to reimburse capital and interests, in the case of taxation, again the citizens have to pay. Finally, this bill says if it is passed, that the federal government will pay 50 per cent of certain costs mentioned in the explanatory notes. It is not the federal government that will do that. The federal government is only the medium; or very often the government thinks it is God; thanks to it, we have grants and without it we would have nothing.

Mr. Speaker, that is not true. It is a falsehood politicians put in the heads of people. It is not the federal government, no matter how big, powerful and Liberal it is, that pays for medical care. It is taxpayers. Let us stop once and for all that constitutional game which divides Canada and which raises the provinces against the federal government and the federal government against the provinces. And finally, what everybody forgets to say is that it is always the taxpayer, no matter who administers him, the province of Quebec, Ottawa, Toronto or Edmonton, that finally foots the bill and receives the care that is very often inadequate in some hospitals.

Mr. Speaker, medicare is not such a wonderful thing. It is a tremendous thing, a step forward, of course. But everyone will agree with me that it is very costly, and that it did not necessarily improve the quality of the services.

It merely allowed services to be more accessible to people to whom they were formerly denied because of prohibitive prices. But that did not improve the quality of the services. I know many a citizen in Victoriaville or elsewhere, in Drummondville as well as Quebec, who has to queue at the emergency of large hospitals waiting for quality care, and who continue to wait. The doctors do what they can. The nurses and hospital staff also do what they can, but money does not necessarily buy quality services.

In any event, I feel that it is important to stress that with the type of administrators we have in our Canadian federal system, we will always have conflicts because we take provocative stands. This evening, the government

introduces a bill in which it states that from now on the federal government will pay 50 per cent of the costs. It is lying when it says this, because it does not pay: Canadians do. Canadians could not care less whether medicare is paid by Ottawa or the provinces: what they want is quality services, which suit them and to which they are entitled.

But our politicians, in Ottawa as well as in the province of Quebec, brag about their achievements. How often have my hon. opposites heard members and ministers of the Union Nationale brag about having built such or such a stretch of road. That has been heard. And I have heard it as well among the Liberals as in the Bourassa government. Thanks to the Bourassa Liberals, such and such a stretch of road was built; medicare was kept, social welfare is paid. The same thing goes on in Ottawa: we hear ministers say that thanks to minister so-and-so, such and such a subsidy is paid. Such thing has been done thanks to the Liberal government. Mr. Speaker, politicians who have this kind of attitude contribute to divide Canadians and make them confused when it comes to constitutional priorities. This is so true that on several occasions the right hon. Prime Minister (Mr. Trudeau) and some of his colleagues complained that the federal participation was not mentioned in some projects.

All this, Mr. Speaker, to demonstrate how important it is to politicians, both in Ottawa and in Quebec, to give information on the source of money, but politicians conveniently forget that the money comes from the taxpayers' pockets. I would be curious, Mr. Speaker, to ask the citizens whether they think they have their money worth with the taxes they pay.

Mr. Speaker, I would not like to dwell on the subject but I think this kind of attitude is revolting.

Tonight the government asks us to support its position, to limit or put a maximum to its financial contribution to 50 per cent of the costs. What will happen after that? This is law in Ottawa and it puts the provinces in a position to accept it unconditionally. They no longer have the choice. Then they will come and praise the merits of federalism, they will tell us that separatists are wrong, whether they come from Quebec or from other provinces. In fact, it must not be forgotten that there are separatists outside Quebec.

Mr. Speaker, I think the government makes a very serious mistake by imposing this bill on us, by urging us to adopt it rapidly without the question being thoroughly discussed. This government cannot give us tonight the firm assurance of the participation of the provinces. It cannot either tell us where the provinces will get the money to make their contribution. Mr. Speaker, when they do not want to answer our questions on that sort of issue, they talk about equalization. They say equalization will settle the problem. Equalization is the kind of road roller which comes along and fashions justice and equality between the provinces. Mr. Speaker, this is quite an easy argument, because it is superficial and very few people understand it. All this is so fuzzy for the ordinary mortal that, finally, politicians can once more shove anything down our throats.

I wish to make it clear that I want no part in that kind of legislation. In my view, the government tonight should take a positive attitude. We did not contrive medicare, I am sorry to say. One day the government rose to its feet and

cried out: Long live medicare, long live the government which had the kind thought of giving you medicare! To vote for us means to vote for medicare.

I recall having heard that kind of things in Quebec, in my own riding. The people swallowed it up in good faith. They really are gullible to believe all they are told. Now, Mr. Speaker, the government on seeing rising costs cannot tell us that we are getting better services, so it simply moves one step backwards and says: From now on, we are going to pay only 50 per cent of the costs, kids, you take care of the rest by yourselves. You are on your own! The government says further: But it is a cost sharing program. It being so, Mr. Speaker, it means that the provinces agree to pay the remaining 50 per cent. It means that the provinces have evaluated their capacity to pay the missing 50 per cent, if it is a cost sharing program.

It is either a provincial program or a federal program or a cost sharing program. The government is not prepared to let the whole jurisdiction in the hands of the provinces. The provinces are not prepared to leave it to the federal government either, and yet both want it to be a cost sharing program. They do not agree. There are no discussions between them, because there again is a money problem. This is the reality of Canadian politics, Mr. Speaker. Much as we want to bury our head in the sand, refuse to admit it, it is again a question of money. You can say that Social Crediters talk only about money, but what is the subject of the bill the Liberals are pushing tonight? Money. And why does the federal government want to cut back to 50 per cent? It is because it needs money. And who pays, Mr. Speaker? The Canadian people do.

● (2120)

On behalf of all my fellow citizens of Lotbinière, Mr. Speaker, I want to say that I disagree with this bill, that I will certainly vote against it because it is contrary to Canadian unity. This is not how we should negotiate with our partners, the provinces. If Canada exists, it is because of the provinces. In fact, Canada is merely the union of the provinces. The federal government is not the first government in Canada, contrary to what the Liberals may believe, but the provincial governments are, and our confederation will be strong as long as each province is. It is not with this kind of oppressive legislative measures that we will achieve a strong unity. Mr. Speaker, no wonder we have complete splits in the country about such measures. I see the hon. member for Laval (M. Roy) in front of me. I shall remind him of an illustration. The Liberals, and I must apologize for referring to that this evening, the Liberals were most happy to see the Conservatives fight each other at their leadership convention. I myself heard a number of them making ugly remarks. I must also say that as far as the financing the Olympic Games is concerned, a large number of French-speaking Liberal members from Quebec want the government to pay a share of the deficit, because they come from Quebec and suggest this is not only Quebec games but Canadian games. But I also know a number of English-speaking Liberal members who have no desire that we share in the financing of the games. Therefore, this is not a partisan issue, but rather a question of whether one believes in Canada, or whether one does not.

As far as I am concerned, whether on the matter of the Progressive Conservative convention, the Olympic Games

financing or Bill C-68, all that raises the question of our faith, our belief, our proundness in our country or again in our regionalism, our chauvinism, all that which will prompt unilateral action, independently from the province. And at the end, Prime Minister Trudeau and his government will be astonished that this country's unity is jeopardized. The main problem is not bringing back the constitution in Canada, but starting to unite the country.

Mr. Speaker, I invite members of this government to review their positions concerning Bill C-68, I urge them, before second reading and referred of the bill to committee, to give us a formal and earnest assurance that the federal government's partners, the provincial governments, fully participate in and are in total agreement with this kind of distribution. If such were the case, if the government could tell us this evening that the provinces accept that kind of fiscal sharing, then as a Canadian I would easily join in passing Bill C-68.

Mr. Speaker, I do not like to move blindly. But this is exactly what the government are trying to make us do this evening with Bill C-68. They are asking us for a blank cheque. "Give us a blank cheque, so they ask, take unilateral action, and then we will complete negotiations with provinces."

Mr. Speaker, I am too Canadian and I believe too much in Canada to accept and take such a gamble.

Mr. Roy (Laval): I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Turner): The hon. member for Laval on a point of order.

Mr. Roy (Laval): Mr. Speaker I want to remind the hon. member for Lotbinière (Mr. Fortin) that in the opinion of Liberals sitting here, from the province of Quebec as well as other parts of Canada, we have never called upon members of the Social Credit Party of Canada to express our views and we never needed them, be it about the Olympics or anything else, Mr. Speaker.

[*English*]

The Acting Speaker (Mr. Turner): I recognize the hon. member for Lotbinière, but it is not on a point of order; it is on a point of debate.

[*Translation*]

Mr. Fortin: Mr. Speaker, the hon. member for Laval (Mr. Roy) for whom I have much esteem still has not understood a word of what I said. I simply gave an example of the way in which as Canadians we part on specific subjects. I know full well that I am not a spokesman for the Liberal party, and God save me from ever being one! However, Mr. Speaker, I do know he would very much like to become a spokesman for the Social Credit Party but we do not agree on that either.

Mr. Speaker, had it not been for our friendship, the fact still remains that it is a typical example that I gave not out of malice. He knows I am right, he knows what I say is true. Mr. Speaker, I know he is just teasing me. The fact still remains that the principle which I emphasized is Canadian unity and this is too serious a subject to kid about it.

Medical Care Act

[*English*]

Mr. Bob Brisco (Kootenay West): Mr. Speaker, this is the second time I have had some opportunity to dwell on this bill and to discuss it in the House. I am pretty concerned about the attitude of the minister in introducing a bill which, quite frankly, if I were to employ legal terms would indicate that the Minister of National Health and Welfare (Mr. Lalonde) probably has some type of disorder best described as a fecalith in the Circle of Willis which is giving him a rather disturbed outlook on life. Having said that I think it is important to ask why the people to my left have asked for a six months' hoist.

Is it some type of legislative trick we see pulled here in the House of Commons on the government from time to time for one reason or another? Of course it is, but I think the very basic reason it has been introduced, the very reason there should be a six months' hoist, is to give an opportunity to the provinces to develop a proper dialogue with the government to sort out what can be reconstructed from the proposal introduced by the minister in this bill.

Certainly there is not a member from the opposition side at least who has spoken on this bill who has not referred to the fact that this is again an example of confrontation with the provinces. We are simply asking that the normal process of dialogue, or arbitration if you like, or debate, be introduced between the federal government and the provinces instead of this continuing confrontation with the provinces. It is no wonder the provinces and the public are becoming increasingly suspicious of the attitudes and actions of the government.

The government promises one thing and gives another. How long can this continue? How long does the government expect to continue this particular program? I think this whole damned process will grind to a halt in 1978 or, hopefully, sooner. I think when we speak about promises and priorities we must reflect for a moment on the examples.

I think it was the Minister of State for Urban Affairs (Mr. Danson) who said that they were going to monitor the effect of the introduction of the 5 per cent or 6 per cent tax that was taken off building materials.

An hon. Member: What about medical care?

Mr. Brisco: Hang on; do not be impatient. I am making a point and I will get to it. The minister indicated that he intended to monitor building supply stores across Canada on a selective basis to make sure that this reduction was being passed on to the consumers. When he was asked a question about this he gave an evasive answer. We have never heard another word from the minister on the subject.

The same situation applies to the Minister of National Health and Welfare (Mr. Lalonde). He took up the case of boots, shoes, and clothing, and when he responded to questions in the House he said that they were monitoring the effect in order to be sure that the consumer would not be ripped off. What has happened? The consumer is being ripped off.

What do we have in Bill C-68? We have the same vague promises which lead to an eventual cost to the consumer, How will that cost be passed along? It has already been

said. We know that the cost in respect of the priorities of this program will be borne by the provinces. That is the avowed intent of the government.

The government said to the provinces in effect that it would suck them in during 1968-71, and now the government is saying it will cast them off. Now it asks the provinces to increase their taxes. One of the members on the government side said the other day this would increase the cost of taxes to the federal government, that it would cost the federal government more. He did not express any concern about the provinces. Quite frankly, when it comes to the health of Canadians I am really not disturbed about the increased cost, because this increased cost is not reflected in terms of the physicians themselves and those who deliver health to Canadians but is reflected in the cost of construction, maintenance, and operation of the institutions where patients are housed, treated, and cared for. These are the areas to which we must address concern.

The government has acknowledged that it has had 377 different reports and proposals dealing with possible ways to cut health costs. Where are these reports? As I said the other day, they are in the archives. They are never referred to any more. My dear members on the other side of the House, all I ask you to do is a little home work. Why does the minister, with all the expertise he has in his department, not ask his people to go to the archives to find out what reports the government commissioned some years ago, at which it has never bothered to look? Do you not think it is about time you did some of your own home work?

● (2130)

I can just see that right after this bill we will be faced with a new one from the Minister of National Health and Welfare. I will be called some glorified term like guaranteed annual income. Imagine what effect that will have on Canadians. Whoopee! And then what—some kind of deterrent fee or some kind of increase in taxation five years down the road because all of a sudden we will find that the entire program has been mismanaged and will cost more than anticipated? That is the road we will probably take. That is the traditional road we have been taking for years.

Let us discuss the cost of health. Where are we faced with the increase in the cost of health? Why are we facing an increasing cost of disease? I think it would be a very noble gesture on the part of the government if it started encouraging amongst the physicians of Canada the attitude of promoting health and treating healthy people to ensure that they remain healthy, rather than waiting until they are diseased and treating them at that time.

I do not pretend to be an expert in this field, and perhaps I should not comment too extensively, but certainly we are aware that now we are dealing with new diseases which cost more money. The other day the hon. member for New Westminster (Mr. Leggatt) complained about the cost of equipment for the treatment of the sick. He said that we have all these fancy X-ray machines, exotic laboratory equipment, and diagnostic tests, and that they cost so very much. Dealing with one specific example, that equipment is one reason why the hon. member for Brandon-Souris (Mr. Dinsdale) is with us this evening. If that equipment had not been developed and was not being used, Dr. Fitzgibbon and Dr. Keon would not have been in a position to have done anything for the hon. member for Brandon-Souris. That is why the so-called exotic equipment is so necessary today. Is there an hon. member in this House right now who would not be prepared to submit himself to that exotic equipment if he thought he had an enormous aneurism in his aorta, or some other heart diseases? Of course not. He would be rushing to it, and why not?

Much of this equipment has been the dividend returned by the government investing in Canadian researchers who have developed the means to treat the diseases which we face today and diseases we will face in the future, which we probably know nothing about. If hon. members bothered to look at the annual report of the National Research Council they would find it to be a most challenging and interesting document. Perhaps the words are big and strange, and perhaps the descriptions sound so scientific that there might be difficulty understanding them, but if hon. members had an opportunity to scan that document, they would realize what the tax dollars of Canadians, spent by the government on research, have achieved for Canadians. However, how much better it would be if that volume were twice as thick. Why should it be necessary for the government to change its priorities and move away from the health field into other areas? That is the wrong direction in which to travel.

Mr. Alkenbrack: They want to build more buildings.

Mr. Brisco: That is right. The priorities seem to be the construction of more buildings and the creation of a greater, better, bigger and more expensive bureaucracy. Today more than ever before we are becoming aware of new industrial diseases which challenge the imagination of researchers, physiologists, physicians and others. These industrial diseases were not really known to the scientific community a generation or two ago. They are the result of new, exotic chemistries which have been introduced into industries, particularly into the petro-chemical industries. There are various types of plastics, foams and fibres which are creating disorders which we have never seen before.

Of course we still have the older industrial diseases which we have recognized but which we have not been in a position to treat before. We are just now learning to treat them, and we are just determining now the effect they have on the system and how dangerous is that effect. Diseases such as silicosis have been around for years. There is asbestosis and lead poisoning, and of course there is another new one on the medical scene and on the environmental scene, mercury poisoning, in at least two existing forms. When it occurs naturally it is environmental and we really know nothing about that. We do not even know how that mercury gets in to water, whether it is leached out of the soil or in what fashion it is ingested by fish. This final form comes to the human being who eats that fish.

We really do not know very much about the chemical induction of mercury other than that we know its source in the form of the leaching process in pulp mills. These are new disorders, yet we are talking about cutting back on the health care delivery system. We are talking about pushing these costs for all these new disorders, let alone the old ones, on to the provinces. How can we expect the

provinces to function with a fine health delivery system when that type of situation is forced upon them?

Let us look at the changes in our entire lifestyle, in our aging processes and in our youth today. Geriatric disorders are relatively new on the medical scene, and more and more I find—

An hon. Member: Make a valid criticism.

Some hon. Members: Oh, oh!

Mr. Brisco: Mr. Speaker, I am waiting for the rabble to stop rabbling.

Some hon. Members: Hear, hear!

Mr. Brisco: I would not mind if they were contributing something constructive, but most of their contribution is destructive or ineffective.

When I was so rudely interrupted I was speaking about geriatric problems and the increasing number of geriatric physicians or specialists who are now on the medical scene. I am sure many here have experienced the very sad and unfortunate situation of aging parents who must be placed in nursing homes. We find that the nursing home type facility is very costly in many cases. They are being constructed in increasing numbers because there is a demand. Why is there this demand? There is a very simple reason. There are more and more old people. Perhaps we will hear an inane complaint from the other side of the House that physicians are being too effective and that they are curing too many people so that people now live too long. It would not surprise me to hear that comment.

One of the other effects upon the provinces is that of the health delivery systems which they would like to develop, improve, and advance, the community clinics, where a variety of health disciplines can work in harmony and unity for the better health care of Canadians. Another effect is the utilization of further training of the paramedics in ambulance service. Let us give credit where credit is due. In British Columbia the New Democratic Party government did a fine job in developing a better ambulance system than the province ever had, but it could still be improved by having qualified paramedics working in harmony with community clinics and hospitals.

● (2140)

All of these things cost money, of course, and who is going to pay? Will it be the provinces, the federal government, or will it be a 50-50 cost-sharing agreement with this government honouring the agreements it laid down when it obliged the provinces to participate in the health delivery system?

I have indicated that there are probably two ways in which the individual would be affected; either through a deterrent fee established by the provincial medicare system, or by increased taxation at the provincial level. If it were the deterrent fee it is probable that the poor pensioner and all the poor would be affected because it is they who are most often ill. What would the deterrent do to those patients, and to dedicated physicians such as those in my riding?

A physician in my riding was told that he would have to cut out house calls because of the cost to medicare. The official in Vancouver who was telling him this was out of touch with reality. If he had looked up the record of every physician in Kootenay West he would have seen that they are dedicated enough that they work late into the night on house calls. It seems we mostly find this sort of dedication in rural areas nowadays; there is an occasional physician who is prepared to see his patients after hours.

Mr. Alexander: Don't forget M.P.s.

Some hon. Members: Hear, hear!

Mr. Brisco: Yes, we are another dedicated lot. In the past I have had an opportunity to visit one or two universities where medical research is taking place. In talking to the researchers one of the biggest concerns is that they are perhaps four or five years into a project when it grinds to a halt because of the government's policies. Research projects have been cut. What kind of an effect would it have on a member who has been saving for years to buy a home, who has accumulated several thousands of dollars and is ready to purchase the home, when overnight the cost doubles due to the stock market, or somehow the money is lost? Just think of the frustration of those researchers who have worked for three or four years on a project which would only take another year or two to complete, and then they see the whole thing grind to a halt because of this insensitive government.

What is wrong with the government that it would rather deal by frustration than consultation? In the question period when asked to cut spending the reply often is, "Would you like us to cut health costs? Is that what you have in mind? Tell the public you have asked us to cut health costs." Mr. Speaker, we do not have to ask the government to cut health costs; it does not need any urging from us and it does not understand where priorities are. It does not recognize the sincere concern of members on this side that the health of Canadians be of paramount importance.

I had an opportunity to express my concern and that of my constituents on the two occasions I have spoken on this bill. The determination expressed by members on this side indicates that I shall probably have another opportunity, as they will too. I should like to conclude my remarks now, and indicate that I will welcome the opportunity at any time to speak on Bill C-68, the brain child of the Liberal government.

Mr. Yewchuk: On a point of order, Mr. Speaker, I wonder if the hon. member would permit a question.

Mr. Brisco: Mr. Speaker, I do not know how qualified I am to reply, but I shall try.

Mr. Yewchuk: As the hon. member is a prominent member of the executive of the Canadian Chiropractic Association I wonder if he could inform the House what effect this bill will have on his profession. Certainly it will be affected, but no one has explained how.

Mr. Brisco: Mr. Speaker, I have studiously avoided mentioning my own profession because I do not think it a good idea to grind one's own axe in this House. If I were to

speak on behalf of my profession, however, I would say first of all that the federal government does not contribute to the cost of chiropractic care, the cost of dental care, the cost of optometric care, physiotherapy care, or podiatric care. The government would lead you to believe that this is a 50-50 operation but it is not. It does not cover the cost of administration either.

When the cost of medicare is increased to the provinces as a result of this bill, in all likelihood what will happen to the paramedical professions is that the provinces which provide those services through their own premiums will have to reduce the services in order to maintain a lower level of cost to the public. In the paramedical field, my own included, we will see a reduction in the services offered for the health of Canadians. It happened in 1968, and it could happen again if the bill passes in its present form.

● (2150)

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, may I participate briefly in the debate on the motion of the Minister of National Health and Welfare (Mr. Lalonde) that Bill C-68, an act to amend the Medical Care Act, be now read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs, and on the amendment proposed by the hon. member for Broadview (Mr. Gilbert).

We have listened with interest to the debate on this measure. I was somewhat alarmed and amused by the intervention this afternoon of the parliamentary secretary who made an extensive speech and suggested that this debate should be concluded speedily because the measure had been discussed for a number of days. I assure him that we would continue debating this measure for a considerable time if there were hope of changing the government's mind. But the government does not usually change its mind.

An hon. Member: What mind?

Mr. Patterson: The present situation is remarkable. No matter what is done, the government maintains its bull-headed attitude and says, "Let the opposition talk as long as it wants; we will go ahead and do what we want." Government members look on themselves as experts in all fields and cast aside opposition contributions as irrelevant or useless.

The following words appear on page 5 of the pamphlet "A New Perspective of the Health of Canadians", published in 1975:

> Good health is the bedrock on which social progress is built. A nation of healthy people can do those things that make life worth while; as the level of health increases, so does the potential for happiness.

In presenting this bill, which will have consequential effects on the health of Canadians, the government is not moving in the direction of better health for Canadians; it is moving in the direction of poorer health. I do not expect that the government intends this to be so, but that will be the end result if this bill is passed.

I should like to emphasize for a few moments the importance of health and physical fitness to our nation. I think the government in some ways has taken an admirable stand in its attempt to encourage Canadians to become

physically fit. Canadian television is regularly broadcasting commercial messages concerning the importance of physical fitness. As well, I feel the government ought to be commended for its program of education, including television messages, to encourage people to stop smoking. This is necessary and effective, and I hope it continues.

There is no doubt, Mr. Speaker, that there is a growing awareness among Canadians that participation in activities such as smoking, drinking, over eating and wrong eating habits exact a terrible toll on the individual's health and well-being, as the minister has emphasized in his pronouncements.

An hon. Member: Oh!

Mr. Patterson: I hear a colleague interjecting. Perhaps he thinks my remarks relate to him.

An hon. Member: The hon. member's remarks are pretty close to home.

Mr. Patterson: Many people may even be able to see the relationship between these activities and the increase in the cost of hospital care and medical care. There are, however, not enough people in this class, and our efforts should be directed toward further education of our people in the importance of preventive medicine. Canadians must become more responsible for their own health. I agree with the old adage that "an ounce of prevention is worth a pound of cure."

In some cases the responsibility for these preventive measures will be assumed by individuals who want to change their eating habits and their drinking and exercise habits. However, as parliamentarians we must be aware of the fact that if enough people do not voluntarily assume the responsibility for corrective measures in their own behaviour, governments may be forced to legislate further in the behavioural field. For instance, I wonder just how long the non-drinking segment of society is going to put up with the added cost of health and medical care that can very readily be traced to the drinking segment of society. How long, for example again, will society let the drinking driver who is involved in a car crash exploit the non-drinking drivers by receiving benefits under medicare? There is a growing number in society who feel that a drinking driver should not receive free medical and hospital care if he is involved in a car crash.

There are millions of others in our society who may not drive cars while drinking alcohol but who increase the cost of medical and hospital care considerably because they abuse alcohol. I suggest that some thought should be given to imposing an additional tax on the liquor industry in order to pay the bills of those whose illnesses or injuries are attributable to the consumption of alcohol.

The same may be said of those who smoke. There is a great list of diseases afflicting the human body, and requiring treatment, which are attributable to the inhalation of cigarette, cigar, and pipe smoke. I suggest that smoking imposes an incredible, added cost to medical and health care services. Would it not be fair, for example, to charge a non-smoker a lower medicare premium than we charge a smoker? That would be fair. The same could be said about those with a disposition to over eat and those

who are careless in the use of a motor vehicle. Canadians should be prepared to shoulder the responsibility for better preventive health care. If they do not I suggest that governments will necessarily encourage or even force them to do so.

A few years ago a former minister of national health and welfare said that the cost of health services has risen so rapidly in Canada in recent years that three alternatives are imminent. First, the standard of health care now available can be reduced; or, second, taxes, premiums or deterrent fees could be raised ever higher; or, third, ways must be found to restrain the growth of cost increases through the better operation of the health service structure now in existence.

May I call it ten o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

NATIONAL DEFENCE—POSSIBLE OPENING OF SUFFIELD RANGE FOR GRAZING

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, the topic of my adjournment debate speech relates to the Department of National Defence and to the Minister of National Defence (Mr. Richardson), but I hasten to point out that in no way does it relate to current Lockheed aircraft contracts. It relates to the minister's ultimate decision that grazing should not be permitted in 1976, and possibly for several years thereafter, in the Suffield PFRA community pasture near Medicine Hat, Alberta.

In my question to the minister of last February 17 I suggested that this decision means that approximately 5,000 head of breeding cattle will have to find new pastures in the coming months, or be put on a badly depressed cattle market. New pasture arrangements at this late date are almost impossible to arrange. Therefore the market alternative will very likely be chosen—not a pleasant prospect.

● (2200)

I am convinced the minister received very bad advice that originated from environmental, wildlife and fish and game interests in Alberta, both federal and provincial agencies, which in turn advised the Suffield base commander that grazing should cease. In accepting this questionable advice from his Suffield staff, the minister has chosen to ignore and reject a very well prepared and practical report with recommendations from PFRA who, of course, report to the minister's colleague, the Minister of Regional Economic Expansion (Mr. Lessard).

I submit most sincerely that wildlife and fish and game enthusiasts are not practical agronomists and, further, that no authority on this continent is more knowledgeable and competent on this subject than Alex Johnston and Silver Smoliak of the federal research station at Lethbridge, the Alberta department of lands range management staff, and especially the staff of PFRA in Regina, particularly Dr. Bob Lodge and Walter Thompson.

PFRA have been managing many pastures over all of western Canada for almost 40 years. I have personally watched them perform. They are exceedingly competent managers and, further, are well aware of the need for conservation and environmental respect.

The recommendation of PFRA respecting this Suffield pasture is that the terms of reference that relate the use of this pasture only to "emergency drought conditions" are entirely unsatisfactory, and that the Suffield pasture should operate on a permanent basis. Improved and permanent stock watering conditions can only be developed under such terms. It is only in the vicinity of the present less than adequate water holes that there is some over grazing. This is normal during the months of August and September when our native grasses ripen, growth stops, and the brittle grasses are subject to tramping around cattle water holes.

The 141,000 acres of this Suffield pasture carry approximately 5,000 head of breeding cattle for six months. The carrying capacity, determined by many years of research at the Manyberries federal research station, for 1975 was 60 acres per mature animal unit, with one field of coarser sand grass at 80 acres for a 12 month season. That is approximately 11 head per square mile at the 60 area carrying capacity, and eight head per square mile at the 80 acre one. For a six months' season this means 22 head and 16 head respectively per square mile. That is not very many cattle. I submit there is no way there can be overgrazing as charged by the wildlife people, except around the too few water holes.

This Suffield pasture area is short grass ranching country where our grass is the result of ten to 12 inches total precipitation per year and an evaporation rate of four times the precipitation from a free water surface. I know. My summer grazing range is just the width of the South Saskatchewan River from this pasture. During the 1930's I sometimes rode over much of this same pasture area looking for some of our cattle that had crossed over the river ice in winter and had to be returned by swimming the river in the spring, a very dangerous experience I can assure you.

I want to express my appreciation to the minister for his courtesy in meeting with Mr. Jim Musgrove and myself last February 20. Mr. Musgrove was in Ottawa representing the Suffield PFRA pasture advisory committee. I am sure the minister was a little better informed as a result of that useful meeting.

I suggest that environmentalists, Suffield military staff, and wildlife enthusiasts are in no position to be critical of how cattlemen harvest grass with their cattle when the same kind of grass over the bulk of the Suffield area, excluding the PFRA pasture, is burned off with prairie fires and ploughed up by target tanks being dragged over much of the range, plus soil damage by tank tracks.

Cattlemen ranchers are by nature the very best conservationists. Their long-time livelihood depends on their understanding of and co-operation with nature. Production

of this short grass is the highest and best use of these lands, and the multiple use concept of these lands by cattle, wildlife, including rattlesnakes—

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member, but his time has expired.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the subject raised by the hon. member tonight, that is, the question of the use of the Suffield range for grazing cattle, is one we have discussed together; we have debated it over a number of years. In answers that I have given during the question period and in personal conversations with the hon. member I have tried to make my position quite clear.

The Suffield range is held by the federal government primarily for military training purposes. The range can, however, be of very real benefit to cattlemen in the area, particularly in times of emergency and in periods of drought, as it has been in the past. It seems to me it would be best for all concerned, including the cattlemen, if the range is kept as a reserve for emergencies, as in the past, and not used for grazing on a continuous basis. If the range is used each year for continuous grazing there will be no extra pasture available during periods of drought.

There are other factors related to the ecology and the protection of wildlife which clearly point to the desirability of not using the range on a continuous basis. For these reasons it is not planned to open the range for grazing in the current year, but I see no reason why we should not give full consideration to re-opening it in future years in special circumstances, as we have done in the past. We are ready to use the range as a reserve and I think this is in the best interests of the cattlemen in the area. This, I believe, will meet the views of those who are interested in the ecology, and I think it will also meet the requirements of the Department of National Defence.

CONSUMER AFFAIRS—REQUEST FOR REPORT ON INVESTIGATION OF DUTY FREE SHOPS—REASON FOR WARNING TO CONSUMERS ABOUT PURCHASES AT DUTY FREE SHOPS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, on February 18 I asked the Minister of Consumer and Corporate Affairs (Mr. Ouellet) a straightforward and non-contentious question about duty free establishments—I emphasize the words "establishments". I wanted to know what progress was being made in investigating complaints. I made no specific reference to which ones, or to why the minister's own departmental magazine entitled *Consumer Contact*, published under his authority, had stated:

> Some articles, like brand name cameras, can sometimes be obtained at Canadian department stores at lower prices than at duty free shops.

Imagine my surprise, Mr. Speaker, when the minister reacted, not like a tiger—for which I might have respected him—but like the angry pussy cat which Canadians have seen he can be in defending the rights of consumers, saying I was more interested in publicity than I was in the results of any investigations and that my question about the contents of his magazine relating to duty free shops seemed to question the good faith and integrity of those who had prepared articles for it.

Now, Mr. Speaker, in the spirit of good clean fun may I remind the minister that on occasion cabinet ministers and even he, I venture, have been known to prepare press releases, or cause them to be prepared for publicity purposes. So I concede that I was indeed interested in bringing to the attention of the public my desire to see the minister do his job and protect the consumer. Which brings me to the point of asking once again what is going on.

● (2210)

Why is the department not willing to justify the basis on which it cautioned consumers against duty free shops? Or is it willing, and the minister was not sufficiently informed?

I received a very gracious letter from Robert J. Bertrand, the director of investigation and research, on January 19. In the letter he mentioned a complaint previous to mine which was being examined. It came from a member of the public and was presently being examined under the misleading advertising provisions of the Combines Investigation Act. Then Mr. Bertrand confused me a bit by saying two paragraphs later that the confidentiality requirements of the act did not allow him to indicate whether or not an inquiry under the act was in progress—although he had just so stated. In any event, Mr. Speaker, I am sure Mr. Bertrand is doing his job, and I am confident that whoever wrote the article in the October issue of the minister's publication did so in good faith, and frankly I resent the minister's juvenile attempt to infer that I suggested otherwise.

Does the minister really want me, I wonder, to make public letters that I have received illustrating some abuses that his department is supposed to be investigating? Since the minister chose to treat my questions on February 18 as relating to my letter of January 9 regarding Sky Shops, let me remind him that it will soon be two months since he received it, and I now have many more letters from the public which I can pass along to him. However, judging by his performance so far, it looks as if there is little point in doing so.

I want to close by asking my friend, the minister, to answer my question and to do his job—to refrain from going into a snit and to inform the House what research was done by the author or authors of this article previously mentioned, and what is the current situation on the investigation of complaints against duty free establishments. I also ask him to keep in mind, in assessing pricing practices of establishments like Sky Shops, that not only ought he to concern himself with comparative prices available to consumers in Canadian department stores, but also with the prices that these goods can be purchased at the destination of those leaving the country. If a traveller can buy a camera for $100 at a Canadian duty free store, for $90 at a Canadian department store, and get that same camera at the foreign city or country to which he is proceeding for $80, then this is also very pertinent.

Mr. Art Lee (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I find it, and I know the minister finds it, very unfortunate that the

hon. member chose to take a statement in the October, 1975, issue of *Consumer Contact* out of context. The sentence in question appeared near the end of a two-page article entitled "Importance of Planning a Vacation" which was directed at those Canadians contemplating a vacation.

If the hon. member had read three lines further in the *Consumer Contact* article in question he would have seen the following:

You can only bring specific amounts of any given item into Canada without paying customs duties, however, and it is wise to find out these customs regulations before you leave on your trip.

By his question, however, the hon. member appeared to be comparing the prices in Canadian duty free shops with prices in Canadian department stores. This is clearly an invalid comparison as Canadian Consumers are unable to purchase goods in Canadian duty free shops.

I am advised that officials of the Department of Consumer and Corporate Affairs, prior to writing this article, received suggestions from various sources within the travel industry. Several of these sources indicated that there appears to be an almost automatic expectation on the part of travellers that goods normally associated with a particular country can be obtained less expensively in the duty free shops of that country than in Canadian stores. While this may be a reasonable expectation it would appear that some goods may be purchased in Canadian retail outlets at a price lower than that charged in the country being visited.

The sources for the article indicated that true bargains are to be found in liquor and cigarettes. There is a valid reason for this. We all have a pretty good idea of what these items cost. On the other hand, how many people know the prices in Canada of brand name cameras, watches or perfumes?

As to the hon. member's question on the progress of an inquiry into duty free establishments, I am advised that the director of investigation and research did write to the hon. member explaining the confidentially requirements of the act. I am therefore unable to give any details of the member's request for action under the Combines Investigation Act.

NATIONAL DEFENCE—REQUEST FOR REDEPLOYMENT OF AIR AND SEA RESCUE FORCES IN ATLANTIC REGION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I apologize for bringing the Minister of National Defence (Mr. Richardson) back so late at night, but the combination of questions and motions I and other of my colleagues have brought to the minister indicate our concern with regard to the lack of capability of the air and sea rescue unit in the Atlantic region to react to problems being faced by the fishermen in the province of Newfoundland and off the coast of Newfoundland, and its inability to take the necessary action to save those who, unfortunately, were lost over the past two or three months.

I can understand the minister's dilemma and the fact that it is not easy to redeploy forces at little or no cost. However, it is very obvious from the experience I have had in the military that the element of the air and sea rescue unit in Halifax or Summerside cannot react to the problems which exist because of the particular conditions in the province of Newfoundland.

I feel, even with the depressed state of the economy, that consideration should be given to enlarging the element of the air and sea rescue unit so that we would be assured that precautions could be taken so that we would be in a position to face these problems. Even from the point of view of the economy, and more particularly from the point of view of the fact that hopefully the Canadian government will extend our fisheries zone 200 miles, we must start the planning so that we can participate and carry out surveillance measures after the Law of the Sea Conference.

I have suggested to the minister, and thankfully he said he would look into it, that if we are not able because of restrictions on the economy to enlarge the Canadian forces a simple solution to the problem would be to employ the reserves which are supposed to be a back-up for the Canadian forces. Over a year ago the minister indicated they would expand the auxiliary reserves and that he would consider the establishment of a unit of the reserve forces in Newfoundland. I can tell him, from my estimation of the situation, that we have at the SAC base on the west coast of Newfoundland at Stephenville a radar base that is vacant—the minister knows about the situation there—which would be a good training ground and a good place to establish a base in that part of Newfoundland so that we could train personnel to perform the surveillance activities for back-up to the Canadian forces.

The most important thing is that we appreciate the problem which exists and prepare for it. While I can understand the difficulties the minister faces, the fact remains that in the past two months we lost six fishermen. It is amazing to me why they could not be located and saved. It would seem this was because of the lack of capacity of the air and sea rescue unit of our Canadian forces.

● (2220)

What I am doing is asking the minister to look at it a little more closely, to make a study, which I will help him with, and to look at the three strategic locations involved which could be available. Hopefully he will direct the Chief of the Defence Staff to direct people within the Canadian armed forces to look into three areas: the logistic support which is there, the infra structure support which is there, and to try to determine the mission that they are going to have to look after in the near future when we extend our 200 mile fishery zone, and to consider it realistically. Hopefully in a spirit of comradeship they can accept the suggestion I have made in a spirit of co-operation and expertise.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I should like first to compliment the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) on his very obviously deep concern for the welfare and safety of the fishermen in his region. That is a concern I share, and I think it has been demonstrated over recent months and years that the Canadian armed forces have played their part in protecting or helping fishermen in the region who have got into difficulties for one reason or another.

However, I think it is important to emphasize once again that in marine rescues the prime function of the Department of National Defence is the co-ordination of activities through the rescue co-ordination centres. In each of the recent marine incidents on the east coast mentioned by the hon. member the rescue co-ordination centre has responded promptly, as soon as it was made aware that vessels were in distress.

I am certain that the hon. member is aware that it is primarily vessels from other government departments and agencies which are used for marine rescue. A number of these vessels are on continuous patrol throughout the Canadian east coast area, and they are prepared to assist immediately, on notice.

There are also a number of vessels belonging primarily to the Ministry of Transport based at various harbours of Newfoundland, whose prime function is marine search and rescue.

Although my department's main responsibility and primary function is the co-ordination of marine search, we also provide an air search capability, but we can only do that whenever weather conditions make this possible. A review of events in the past three rescue attempts shows that the search by air was delayed on two occasions by weather, and on one occasion by darkness. The fact that the aircraft were based at Summerside had no bearing on the time they joined the search.

As I mentioned before, Canadian Forces Base Summerside appears to be the optimum location for search aircraft as it is the hub of the area of responsibility. In a previous adjournment debate the details of the search for the vessel *San Juan* were recorded in *Hansard* for February 26, 1976, and a review of events of that search will show that the department's rescue co-ordination centre acted in a prompt and responsible manner, as it has on many previous occasions.

I believe that the hon. member will agree with the statement made recently in the House by the Minister of State (Fisheries) (Mr. LeBlanc) when he was speaking of the Department of National Defence and of the work of the Ministry of Transport in search and rescue. He said that on many occasions these departments have helped and have in fact saved lives. I hope that that will be recognized and reflected back to the constituents of the hon. member. I should like him to look more often at the times airmen have gone out in adverse weather conditions and have in fact achieved rescues, rather than point out—I know it is his main responsibility to do so but unfortunately it does not reflect favourably or fairly on some Canadian forces personnel—those times when we are unable to effect a rescue. On average the work of our Canadian forces is, I think, of a very high standard.

The Acting Speaker (Mr. Turner): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Wednesday, March 3, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ADMINISTRATION OF JUSTICE

PROPOSED ROYAL COMMISSION OF INQUIRY INTO ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—MOTION UNDER S.O. 43

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I ask consent to propose a motion under Standing Order 43 on a matter of urgent and pressing necessity. There can be no matter more urgent and nothing more necessary than that the public be assured beyond all doubt or suspicion that justice in Canada is duly and impartially administered, and that the judges charged with this duty are free to perform it without interference or the merest suspicion of interference.

Some hon. Members: Hear, hear!

Mr. Woolliams: A challenge against the freedom and independence of the Canadian judiciary is equally a challenge against this parliament and the constitution. I therefore move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That subject as hereafter stipulated, the Governor in Council forthwith appoint a royal commission with full powers to inquire into and report upon allegations of interference, by the executive authority or other persons, with the due and impartial administration of justice, with particular reference to the report of the Honourable Mr. Justice Kenneth C. Mackay to the Minister of Justice and Attorney General of Canada of February 20, 1976, but that such terms of reference be first submitted upon government motion within the next five sitting days to this House for debate and subject to amendment, such proceedings not to exceed one sitting day.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Pursuant to Standing Order 43 such a motion can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

SUGGESTED PUBLIC INQUIRY INTO ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, while we certainly would have supported that motion, and we so indicated, the motion I intend to move is different because it is under a different law, and I hope the government side will not react in the same way.

I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Considering the seriousness of the charges made by Judge K. C. Mackay of the Superior Court of Quebec that there has been prevalent political interference with the course of justice by members of the cabinet, and considering that three specific incidents were cited by him, in order to clarify this situation and to assure the public that there is no political interference in our judicial system I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House urges the Prime Minister to establish forthwith a public inquiry under the Inquiries Act to investigate these serious charges.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 the motion can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

PROPOSED CONSULTATION ON TERMS OF REFERENCE AND NATURE OF INQUIRY INTO ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Baldwin: Since I am speaking in this rarified atmosphere, as my hon. friends said, possibly I am a pink Tory.

I should like to move a motion under Standing Order 43. The foundation has been well laid for me by the hon. gentlemen who have spoken ahead of me. I therefore move the following motion, and I am sure it will be acceptable in the terms given, bearing in mind the remarks of the hon. member for Calgary North (Mr. Woolliams) and the hon. member for Oshawa-Whitby (Mr. Broadbent):

In the light of the circumstances and the relationship of the ministers concerned to the government and the imperative need to have an unbiased, open and completely objective inquiry into the facts, and as Parliament is the highest court and original fountain of justice, this House urges the Prime Minister and the Minister of Justice to consult with opposition parties in the House as to the nature, terms of reference and character of the inquiry.

Mr. Speaker: Order, please. The motion can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Parliamentary Library

[*Translation*]

EXTERNAL AFFAIRS

SUGGESTED STUDY OF CONSTRUCTION OF NUCLEAR SUBMARINE BASE AT BANGOR, WASHINGTON—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to move a motion concerning an urgent and important matter.

In view of the decision of the American government to build in Bangor, Washington, a *Trident* nuclear submarine base whose power may suggest that the United States intend to establish there a first-rate striking force, which threatens to give a new impulse to the dangerous escalation of the arms race, and since the Canadian Minister of National Defence (Mr. Richardson) has just stated that he was in favour of such a decision which, in his opinion, would prevent a nuclear war, when studies indicate that world-wide military expenses to ensure peace are expected to reach $300 billion in 1976, I move, seconded by the hon. member for Champlain (Mr. Matte):

That the House examine right now the position Canada should defend on disarmament in accordance with the attitude already taken by our government on many occasions and particularly at the disarmament conference so that our country continue to play honestly an important role in the matter of disarmament, as the Canadian Association for the United Nations has just urged.

Mr. Speaker: Order, please. The House has heard the motion of the hon. member. Pursuant to the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent, therefore the motion cannot be put.

* * *

● (1410)

[*English*]

LIBRARY OF PARLIAMENT

SUGGESTED HOLIDAY FOR EMPLOYEES—MOTION UNDER S.O. 43

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, pursuant to the provisions of Standing Order 43, I ask the unanimous consent of the House to deal with a matter of urgent and pressing necessity. In view of the fact that today is the 100th anniversary of the parliamentary library and this occasion will be celebrated tonight with a sitdown dinner and ball, and in view of the fact that, at a time of restraint, this "Freebie" is by invitation only to all M.P.s, Senators, and top echelon bureaucrats—easily recognized as the lowest paid workers in Canada, and in view of the fact that those who serve in making the library of parliament the successful tool it is, namely the library workers, are excluded from this bash, I move, seconded by the hon. member for Brant (Mr. Blackburn):

[Mr. Speaker.]

That this House authorize one paid holiday, apart from those already statutorily granted for 1976, for those library workers not involved in tonight's bash to honour them for their role in making the library of parliament the success it has been in the last 100 years.

Some hon. Members: Hear, hear!

Mr. Speaker: Is there unanimous consent to put the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

AGRICULTURE

PROPOSED CONSULTATION WITH OPPOSITION BEFORE ESTABLISHING NEW DAIRY POLICY—MOTION UNDER S.O. 43

Mr. André Fortin (Lotbinière): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to put forward a motion on an important matter of pressing necessity.

Since the new dairy policy this government intends to announce has been established without any consultation with any political party of the opposition in this House, I move, seconded by the hon. member for Kamouraska (Mr. Dionne):

That the Department of Agriculture and the minister concerned take stock of the new dairy policy to be announced in April by systematic and serious consultation with each party of the opposition about the dairy policy, considering that the same minister said yesterday that all Canadians should give their opinion on this question and that not only the members of the Liberal party but also those of the opposition parties represent the Canadian people.

Mr. Speaker: Order, please. The House has heard the motion of the hon. member. Pursuant to the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

* * *

CONSUMER AFFAIRS

PROPOSED REGULATION OF ADVERTISING WHICH ENCOURAGES SPENDING—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, pursuant to the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion dealing with an urgent and important matter.

Since advertising represents one of the most important factors of the cost of living increase in Canada, and since advertising through television, radio, newspapers and magazines encourage consumers to buy ever more and thus incite them to live beyond their means, I move, seconded by the hon. member for Champlain (Mr. Matte):

That this House take forthwith every necessary action to provide for some restrictions to apply to advertising urging to spend.

Mr. Speaker: Order, please. The House has heard the motion of the hon. member. Pursuant to the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

ORAL QUESTION PERIOD

[*English*]

ADMINISTRATION OF JUSTICE

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REQUEST FOR COMMISSION OF INQUIRY

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, while the manner in which the enthusiasm displayed by government members in turning down those three successive motions which were made this afternoon lead one to believe the government is so self-satisfied—

Some hon. Members: Question.

Mr. Diefenbaker: —that it does not intend to answer any questions concerning this matter—

Mr. Sharp: Ask the question and you will get an answer.

Mr. Diefenbaker: —I hope the Prime Minister may think otherwise. I ask him whether or not he believes in the complete independence of the judiciary from influence of cabinet ministers or members of parliament either directly or by subtle indirectness constitutes a cornerstone of the heritage of the administration of justice? I ask him, therefore, four ministers having been named in a press article in the Toronto *Globe and Mail* of today, will he be prepared to set up a judicial body, I would think of three judges—

Mr. Trudeau: Why not of five?

Mr. Diefenbaker: What does the Prime Minister say?

An hon. Member: Why not of five?

Mr. Trudeau: Or, why not of four?

Some hon. Members: Question, question.

Mr. Diefenbaker: I thought I would keep the number smaller, so that the Prime Minister would understand.

Some hon. Members: Hear, hear!

Mr. Trudeau: Or, what about one?

Mr. Diefenbaker: —and not compose of judges in the province of Quebec, because it would embarrass them to be on such a commission.

Mr. Trudeau: Shame!

Mr. Diefenbaker: What are these interruptions of the Prime Minister? He is the protector of the rights of parliament, and he is interrupting on this matter.

Mr. Trudeau: What is wrong with judges from Quebec?

Mr. Diefenbaker: Is he afraid of an investigation?

Some hon. Members: Hear, hear!

Some hon. Members: Question.

Mr. Diefenbaker: Assuming that he is not, for the sake of argument, I ask him, will he set up such a commission at once, to clear away this matter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not basing my answer on what the right hon. gentleman says. I think what he said about the judges of Quebec is not relevant to this subject. I am not basing it, either—

Mr. Diefenbaker: I do not want to embarrass them, by asking them to try a matter affecting one of them.

Mr. Trudeau: Mr. Speaker, if the right hon. member wants to ask a supplementary question before I have finished answering, let him ask it.

Some hon. Members: Oh, oh!

Mr. Trudeau: I am just pointing out that the interruptions are not one-sided.

Mr. Diefenbaker: The Prime Minister started the interruptions a while ago.

Mr. Trudeau: Mr. Speaker, I am concerned about what has been rumoured and stated, and because of that, I discussed with the Minister of Justice the substance of a letter which he received from Justice Mackay, and I am satisfied with the attitude he has taken.

Mr. Diefenbaker: Mr. Speaker, a supplementary question. I have to repeat the question. Naturally, the Minister of Justice desires to agree with anything, in order to protect his colleagues.

Some hon. Members: Shame!

Some hon. Members: Hear, hear!

Mr. Paproski: Basford's getting up. Sit down, Basford. Three o'clock.

Some hon. Members: Three o'clock.

Mr. Speaker: Order, please. It is obvious that the Minister of Justice is seeking the floor, to intervene on a question of privilege. The implications contained in questions and answers, at this stage, relating to what is a serious matter will only invite these kinds of interventions, which

I cannot consider until three o'clock. I would be grateful if both those hon. members putting questions and those answering would stick as closely as possible to factual remarks.

Mr. Diefenbaker: Mr. Speaker, I could not be more in agreement with you.

Some hon. Members: Oh, oh!

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REQUEST FOR TABLING OF CORRESPONDENCE OF MINISTERS BEARING ON ALLEGATIONS

Right Hon. J. G. Diefenbaker (Prince Albert): I ask the Prime Minister, now, will he request all the ministers in question to produce all correspondence, office diaries or other records of events that bear on these allegations, and will he table such material?

An hon. Member: Innuendo.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I regret the innuendoes against the Minister of Justice contained in the question, just as I regret the innuendoes against judges of Quebec in the previous question.

Mr. Diefenbaker: Against the judges of Quebec?

Mr. Trudeau: Yes.

Mr. Diefenbaker: There are no innuendoes. I am concerned about a different matter. I made no innuendo.

Some hon. Members: Oh, oh!

Mr. Trudeau: What did the right hon. gentleman say?

An hon. Member: We heard what the Prime Minister said.

Mr. Trudeau: Mr. Speaker, I have, on the basis of what I heard, discussed the matter with the Minister of Justice. A letter has been sent from Justice Mackay to the Minister of Justice. The Minister of Justice has looked into this matter. He has discussed it with me. I am satisfied, at this stage, that there is no need for an inquiry.

Some hon. Members: Oh, oh!

Mr. Trudeau: No allegations, substantiated allegations, were made, although some were made which were not correct in fact, Mr. Speaker.

Mr. Diefenbaker: And which are they?

Mr. Trudeau: No substantiated allegations cause me to call for such an inquiry. If it can aid the House, I would ask the Minister of Justice to state what attitude he has taken.

● (1420)

Mr. Basford: Mr. Speaker—

Some hon. Members: Hear, hear!

[Mr. Speaker.]

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. There is a procedure in the rules with regard to ministerial statements. We would be delighted to hear a ministerial statement after the question period in the usual way.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. It is not an extraordinary practice for one minister, particularly the Prime Minister, to refer all or part of an answer to another minister. However, it is not a practice I want to impose on the House.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—CONSULTATION WITH MINISTERS MENTIONED IN ALLEGATIONS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I am sorry that the Prime Minister turned down a request for an inquiry. Has the Prime Minister discussed the allegations made by Justice Mackay with the Minister of Public Works and the former Minister of Finance? If so, will he confirm that they were approached by the Minister of Consumer and Corporate Affairs regarding the contempt proceedings, what was said and what the purpose of the approach was for?

Hon. Ron Basford (Minister of Justice): If I may answer that, Mr. Speaker, I have, as the Prime Minister indicated, received a letter from Mr. Justice Mackay which contains some allegations. I would point out to the House before commenting on the correspondence that it is important to me and I have considered my position very carefully. If I may, I would refer the right hon. member for Prince Albert to Edwards on the Office of Law Officer under the Crown. He will find that the position of Minister of Justice and Attorney General of Canada is a particular and unusual position within our parliament and parliamentary system, one which is not subject to the kinds of influence that the right hon. member has implied.

Some hon. Members: Hear, hear!

Mr. Basford: I have considered this position very carefully. It seems imperative for the independence of the judiciary and the proper maintenance of relationships between judges and chief justices and the office of Minister of Justice that letters from them to me should not embroil them in public debate. Therefore, I am going to be very limited in my comments on this or any other correspondence in this or any other case. I think that is essential for the administration of justice and the independence of the judiciary of Canada.

With regard to the three instances on which the hon. member for Calgary North has commented, I would point out that one relates to an incident in 1969 about which no complaint was received then or thereafter. The second involving Mr. Justice Aronovitch, apart from Mr. Justice Mackay's letter, I have received no information or complaint from the judge involved. Of course, the President of the Treasury Board has taken action relative to that. With regard to the third suggestion concerning the associate chief justice of Quebec, again no further information is in

my hands than that contained in the letter and no complaint has been received by me.

Because of the letter in my hands, I have asked for explanations from my colleagues who, I may say, are outstanding members of the bar of the province of Quebec and know the laws of this country as well as any other member of the bar of the province of Quebec. I have, however, asked for explanations. On the basis of information supplied to me, I am not persuaded that any action should be taken by me at this time, except to communicate with the chief justice of the province of British Columbia.

Some hon. Members: Oh, oh!

Mr. Basford: That was a Freudian slip, because I see him in the gallery, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Basford: But I am communicating with the chief justice of the province of Quebec who, as you realize, Mr. Speaker, is the person principally responsible for the management of this court and for the maintenance of its independence. On the basis of the information I now have, I think it appropriate that I communicate with the chief justice.

Some hon. Members: Hear, hear!

Mr. Woolliams: Well, Mr. Speaker, that is the strangest answer to that question!

Some hon. Members: Oh!

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REQUEST FOR EXPLANATION OF MINISTER OF PUBLIC WORKS

Mr. Eldon M. Woolliams (Calgary North): I will turn, now, to another member of the cabinet, and address a question to the Minister of Public Works. In a letter to the Minister of Justice on February 20, Mr. Justice Mackay stated:

After Mr. Ouellet asked Mr. John Turner to intervene on his behalf with the judge presiding over the contempt of court proceedings and was promptly rebuffed, he approached Mr. Drury with more success, but, as it turned out, without the desired effect.

Would the Minister of Public Works tell the House whether he was approached and what kind of assistance he rendered?

Hon. C. M. Drury (Minister of Public Works): My comments on this particular case will, of necessity, be rather limited—

Some hon. Members: Oh, oh!

Mr. Drury: —in that the case in question is currently under appeal. I think it would be only an irresponsible member who would try to persist in having an effect or influence on a judgment on appeal. As to the discussion I had with my colleague, both of us are lawyers, both of us are members of the Privy Council, and I think the House will understand that conversations of this kind are privileged; they always have been and I shall continue to regard them as such.

I had a conversation, also, with the association chief justice of Quebec, along, as I discovered, with a great many other public spirited citizens who had taken part in trying to effect a solution to a rather difficult and, to some degree, unprecedented problem. The hon. Mr. Justice MacKay has suggested that my intervention, whatever it may have been—and he does not make any suggestion as to what it was—did not have the desired effect.

An hon. Member: What was it?

Mr. Drury: I may say for the benefit of those who are prepared to listen that in my opinion the integrity, the independence, of the judiciary is critical to the successful running of a country such as ours and I both respect and admire this principle. If it were not for the fact that I consider the association chief justice of Quebec, whom I have known for a number of years, to be uninfluencible, in a pejorative sense, I would have refrained from intervening or from having any conversation with him. Indeed, the only intervention that would be contemplated by me would be one to see that he was in full knowledge of the facts and did his duty. I did not attempt to influence the decision.

Some hon. Members: Oh!

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REASON FOR REFUSING PUBLIC INQUIRY

Mr. Edward Broadbent (Oshawa-Whitby): Earlier, in his answers, the Prime Minister said that what we have been dealing with so far were unsubstantiated statements. I ask the Prime Minister, in all seriousness, whether or not he has considered the fact that the charges which have been made were made by a judge and that they are quite specific. In his original letter the judge in question wrote that there was "interfering with the course of justice", and then went on to say that it was "all too prevalent." He said that with specific reference to members of the cabinet. Considering that he made this general reference in his first letter and then, when asked to be more specific by the Minister of Justice in response, the same judge attempted to document this general claim by referring to three specific instances, I ask the Prime Minister, in the interests of seeing that justice be seen to be done in Canada, does he not think it appropriate to have a public inquiry into these three very specific charges made by the judge?

● (1430)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as in other cases where the opposition have demanded inquiries, I have not excluded them as a matter of principle. I have always answered that if the facts cannot be ascertained otherwise, and if it is in the best interests of the country and of justice, then we will have an inquiry. In this particular instance the hon. member is right; there have been some allegations. I have discussed them with the Minister of Justice. The House knows that, at least in the case of one allegation, it has given rise to a suit, or to a demand for retraction. I do not see it to be in the interest of this House or of justice at this time to set up an inquiry.

Mr. Diefenbaker: Or ever.

Mr. Trudeau: Perhaps, Mr. Speaker. I think the course we are following is the correct one.

Mr. Diefenbaker: It is all wrong, and you know it.

Mr. Trudeau: The Minister of Justice has investigated these charges and he has answered them in part in a letter that was published, without the minister being responsible for that. He has now taken the course of consulting with the chief justice of Quebec, through whom these matters should properly go. If the chief justice of Quebec finds he wants to pursue the matter, then we will pursue the matter in whatever way he suggests. At this stage I think the initiative taken by Justice Mackay has been dealt with by the minister in his answer in a way that satisfies me. However, I repeat that if the courts of Quebec, through their chief justice, have other views, we will be glad to hear them. I, personally, do not believe that an inquiry such as suggested by three members on the other side would be in the interests of justice in the province of Quebec.

Mr. Broadbent: A supplementary question, Mr. Speaker. I will try to make my question brief. I want to make it clear that, speaking for my colleagues, we have not prejudged this case in any way. The issue is one of extreme seriousness. Following from what the Prime Minister has said, since one of the implications of Justice Mackay's letter is that there is continuing interference with the judiciary—I repeat that I am not necessarily agreeing, but that is the allegation—does the Prime Minister not think that by leaving the matter internal, even after careful consideration by the Minister of Justice and himself regarding an inquiry that presumably the Prime Minister is implying will be made by the chief justice of Quebec, keeping the matter internal like that and possibly reaching a negative conclusion, rather than establishing that innocence is beyond question, will result in everything remaining under a cloud of suspicion?

Mr. Trudeau: Mr. Speaker, the suspicion certainly would not be what we would have wished. I agree that the charges are serious. I think I have indicated that I regret the way in which they have been made, and the way in which they have been made public. I believe these charges are a matter for the chief justice of the province of Quebec. It appears from the published correspondence that this is also his opinion. I repeat that the Minister of Justice, presumably through his officials, will communicate with the chief justice. Certainly, I want to make sure that we hear all sides of this matter before considering it closed.

Mr. Broadbent: You are judging your own case, aren't you?

Mr. Trudeau: I am not the chief justice, Mr. Speaker. We are asking the chief justice to look into the matter, which is the proper course for any judge who has a complaint of the nature and seriousness of the one that has been made.

Mr. Broadbent: A final supplementary question, Mr. Speaker. I ask the Prime Minister why he would not consider appointing the chief justice of the province of Quebec himself to head this inquiry and to conduct it in public, so that if innocence of all the people who have been charged turns out to be the case, which I genuinely hope will be the case, then it will clearly be seen to be so. Why will not the Prime Minister ask the chief justice of Quebec to conduct publicly such an investigation, instead of keeping it, I will not say secretive, but certainly private?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, if I may answer that, it is because there is nothing in front of me that indicates there are any private communications to a judge for the purpose of influencing his decision, or that there have been actions to obstruct, pervert or defeat the course of justice. There are certain procedures. If there is that sort of information, and if such attempts have been made, the person who would be in possession of those facts would be the chief justice of Quebec. That is the purpose of communicating with him.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—POSSIBILITY OF OTHER INCIDENTS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, let me direct my question to the Prime Minister since we have become bogged down with only three instances. When one reflects on the letter of Mr. Justice Mackay dated February 20, one sees that he wrote "I can think of at least three incidents which in my view are unwarranted attempts to interfere with the judicial process". The obvious implication from that is that more than three such incidents may exist. Accordingly, I would ask the Prime Minister whether he can inform the House if he intends to direct or has directed the Minister of Justice to investigate the possibility of further ministerial interference with the judiciary?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the person in the best position, of course, to advise on that, in line with our tradition of the independence of the judiciary in this country, is the chief justice of the province, who is responsible for the management of his courts and for their independence and protection. If, of course, the chief justice has indications of that kind of influence from his judges, I have every confidence in the chief justice of Quebec to report those to me or to the proper authorities.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—PRIME MINISTER'S DISCUSSIONS WITH MINISTER OF NATIONAL HEALTH AND WELFARE

Mr. Lincoln M. Alexander (Hamilton West): A supplementary question, Mr. Speaker. I hope the Minister of Justice will be specific in directing his question to the judge in order to determine just what other instances he has in mind, if any. One last supplementary question for the Prime Minister. In light of the fact that the Prime Minister's then principal secretary has been mentioned in this article, has the Prime Minister had a discussion with his then principal secretary as to whether there were any other interventions made by him, and has this discussion been since these revelations have come to his notice?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I have had a discussion with my former principal

secretary. I did not ask him whether there were any other cases such as that alleged in the newspaper this morning.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—AWARENESS OF PRIME MINISTER OF VISIT TO JUDGE BY HIS PRINCIPAL SECRETARY

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Justice Mackay has alleged in his letter to the Minister of Justice that in March, 1969, during the trial of the Trinidad students, he received a visit from the then chief executive assistant to the Prime Minister. Let me quote Mr. Justice Mackay: ". . . to put the trial off for a few weeks . . . He then told me to postpone my charge". Is the Prime Minister aware that representations, or if that is too strong a word, if a visit was to be made by his chief political aide?

● (1440)

Right Hon. P. E. Trudeau (Prime Minister): The answer is no, Mr. Speaker. I was not aware such a visit was to be made. I was informed after the fact that such a visit had been made but not with the purpose described in that letter which I am informed is not in conformity with the facts.

Mr. Fairweather: Mr. Speaker, I think we are all hoping to accept the words, but I think we would be derelict in our duty if we did not try to clear up this matter. So I will ask why it was thought to be a wise course of action for the chief political aide—I like the expression "political aide"; it is an honourable combination of words—to see fit to visit a judge rather than have representations made on behalf of Trinidad or any other country through the normal channel of external affairs or the Department of Justice. Surely, this was an unusual course.

Mr. Trudeau: Well, Mr. Speaker, I repeat that the visit was made without my knowledge. I was informed of it afterwards. In consequence, I discussed the subject with my then political aide. I am informed by him that the nature of the visit was not as described in that letter. I agree with the hon. member for Fundy-Royal that these are serious allegations. I do not intend to just have a unilateral explanation of it either from one side or another. I think it is a fact that some allegations in Justice Mackay's letter have given rise to a denial. One at least is known—a denial by the President of the Treasury Board. I think the matter is serious enough for us to have it looked into by the chief justice who is in charge of the administration of justice. So far as we are concerned the matter is not ended until we hear he is satisfied.

I think it is important to underline, as the Minister of Justice said a few minutes ago, that he has received no complaints from two of the three judges who are mentioned in Justice Mackay's letter. Neither the minister nor his officials have received any complaints. If Justice Mackay has a complaint and it has been made public I think it should be investigated, but I am anxious to have it investigated in the proper way. The hon. member opposite says "my way". I would suggest that is perhaps an unwarranted slur on the chief justice. Whatever he does will not be my way.

[*Translation*]

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—POSSIBILITY OF COURT ACTION

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to direct my question to the right hon. Prime Minister.

In view of the disturbing allegations by a judge regarding certain ministers of the Crown and the statement by the Prime Minister and his government colleagues that no investigation will be held to clarify this matter, and that some ministers appear to be implicated by the release of those facts, will the Prime Minister advise the House whether he, himself, or a member of his cabinet will soon take legal action to clear those allegations which have been published in a rather regrettable manner?

Right Hon. P. E. Trudeau (Prime Minister): Once again Mr. Speaker, I have never stated there would not be an inquiry. I did say that, so far, serious allegations were published in the press, and the Minister of Justice of our government investigated those allegations and is satisfied at this stage that no action is called for on his part except consulting with the chief justice of Quebec who is responsible for the administration of justice in that province. I am sure he will want to decide for himself whether he should take further action and prevail upon the judges concerned to give him their sides of the story. It is important to point out, as the minister did, that two of the judges to whom Mr. Justice Mackay referred have never complained about anything, either to the minister or his officials or, as far as I know, to the chief justice.

Mr. Fortin: Mr. Speaker, I have a supplementary.

Since there have been very serious allegations, to quote the Prime Minister, my question deals with a very specific point. Can the Prime Minister inform the House whether legal action will be or has now been taken by any of the ministers, and especially the President of the Treasury Board?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, in this specific case, I have written a letter to the Prime Minister, and I would like to table it at this point in order to inform every member of the situation.

In 1971, I discussed with Mr. Justice Aronovitch the date of a judgment. Yesterday I spoke with him and he confirmed to me that at no time did I try to influence his decision. He confirmed it to one of my assistants. Before sending my letter to the Prime Minister I read him a copy of the letter I had written, and he confirmed that it was true to fact. Therefore, this morning I asked my lawyers in Montreal to advise Mr. Justice Mackay to kindly withdraw, to apologize, because I feel he has been misled voluntarily or involuntarily, and I hope that within three days he will make the appropriate retraction.

At no time, Mr. Speaker, did I try to exert influence on a judge. I have been a member of the bar for 15 years and I practiced law during a number of years. I exercized every caution to find out whether in the circumstances I could act as I did. What was involved there was an industry shut down in Grand-Mère affecting 350 employees. I was trying to get people to replace the jobs lost in my constituency. I acted in my capacity as member of parliament for a con-

stituency faced with a 16 per cent unemployment rate, and I do not believe I have to apologize to anybody for trying to fulfill my responsibilities as a member of this House for Saint-Maurice.

[*English*]

Mr. Speaker: Order, please. The minister seeks, I take it, to table a letter to which he has made reference. The Standing Orders permit a minister of the Crown, of course, to table any document to which he has referred in the course of debate or discussion in the House which relates to his particular administrative responsibility. This probably would be an exception. I presume, however, that the House might want to give its consent to the tabling of the document. However, it ought to be sought. Does the minister have the consent of the House to table the letter in question?

Some hon. Members: Agreed.

[*Translation*]

Mr. Chrétien: Mr. Speaker, in closing, I would like to say that I also asked my legal advisers to consider the possibility of instituting proceedings against the newspaper that published allegations based on hearsay rather than on specific charges.

[*English*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a supplementary question for the Prime Minister. Will the right hon. gentleman not take into account the fact that the issues have already been clearly drawn in this matter and either the allegations made by Mr. Justice Mackay are wrong, in which event there is some doubt about his competence to continue to hold his position, or they are right, in which case there is some doubt as to the propriety of the three ministers to remain where they are. Will he take that into calculation and do something to remedy this intolerable situation, because after all the public are more important than the right hon. gentleman and myself. They are entitled to have a full, unbiased and quite open examination of the allegations.

Mr. Trudeau: Well, Mr. Speaker, the hon. member is right; there is this choice to be made. If the decision comes on one side, indeed, it will not be a good thing for the ministers. If it comes on the other side, it will not enhance the reputation of the administration of justice, and that is why I am not certain it is in the public interest at this stage to have a full inquiry.

● (1450)

Some hon. Members: Why?

Mr. Trudeau: Because I am trying to indicate to the House that in our view the proper course would have been for Mr. Justice Mackay to speak to the chief justice who would have communicated with the deputy minister of justice, and he would have looked into these facts in the proper way. Already there is a demand for withdrawal by one of the ministers. The House knows that I was mentioned in one of those letters, and since there has been no question to me about my involvement, I suppose the judgment of the House is that Justice Mackay did not have any great cause to put me in his letter, even though it did warrant a picture of me on the first page of the *Globe*.

I think it should be obvious to hon. members that there may be more which should be looked into by the chief justice before the government makes a decision on this, and I know the House and the country will not forget about this incident. It is just a matter of following the proper procedure, which we are convinced we are doing.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—POSSIBILITY ADVICE OF MINISTER OF JUSTICE SOUGHT BEFORE PRIME MINISTER'S PRINCIPAL SECRETARY VISITED JUDGE

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, surely now that we have had one minister's piece of correspondence tabled, we should have them all tabled.

Some hon. Members: Question.

Mr. Lawrence: However, bearing in mind that while the Prime Minister is right that the judiciary has a role to protect our fundamental freedoms, surely this parliament has a primary role over that, not only to protect our fundamental freedom, but also to protect the freedom of the judiciary itself, which is something it may not be able to do.

Getting back to the 1969 incident, Mr. Justice Mackay stated further in reference to the alleged intervention in the trial by the present hon. member for Outremont (Mr. Lalonde)—this is in relation to the Trinidadian students—that the then minister of justice, John Turner, and I quote: "was apprised of the Lalonde incident" and that "he too, being a staunch defender of judicial independence, was deeply shocked."

Mr. Alkenbrack: Was that before his intercession on behalf of Sky Shops?

Mr. Lawrence: Can the Prime Minister inform the House if the opinion of the then justice minister was ever sought by any member of the Prime Minister's office before Mr. Lalonde contacted Mr. Justice Mackay?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, Mr. Lalonde, the present Minister of National Health and Welfare, informed me that he did not discuss the matter with the then minister of justice. I understand that Mr. Turner has also denied that he had been consulted about it, and I fail to see why the hon. member would repeat in the House an allegation relating to a former minister who has denied that it ever happened.

Mr. Lawrence: The answer is simple: because we don't know the facts, and we are not getting them today either.

Some hon. Members: Hear, hear!

Mr. Lawrence: However, if that is the case, as the Prime Minister has just indicated—and I am not denying it—can the Prime Minister then explain to the House why the contacting of a superior court judge on a matter such as this by an aide within his own office was authorized without first seeking the authorization of the then minister of justice?

Mr. Trudeau: It is difficult to see how it was authorized if no authorization was sought.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Greenwood.

Mr. Lawrence: A supplementary, Mr. Speaker—

Some hon. Members: Sit down.

Mr. Lawrence: I merely wanted to ask him why it was not sought.

Some hon. Members: Sit down.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—INQUIRY WHETHER PRIME MINISTER'S PRINCIPAL SECRETARY VISITED JUDGE ON OWN INITIATIVE

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I want to address a question directly to the Minister of National Health and Welfare. I think in a statement he has made it absolutely clear that at the time of the trial of the Trinidadian students he did, in fact, visit Mr. Justice Mackay for some purpose or other. His account varies a good deal from Mr. Justice Mackay's account of what happened, and I also understand the Prime Minister to have said that he did not go on his instructions, although he was working in his office.

I ask the minister to tell us now if he went entirely on his own initiative, or who instructed him to go to see the justice at that particular time?

Mr. Speaker: Order, please. I think previous practice has shown us that for the Minister of National Health and Welfare to attempt to answer that question at this time would be infringing a clearcut rule of this House that he was not at that time acting in his current capacity as a minister of the Crown at all.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The question can be quite properly directed to the Prime Minister, under whose responsibility that office was then and is now.

Mr. Brewin: Mr. Speaker, the question I put was a question of fact directly within the knowledge of the Minister of National Health and Welfare, and I suggest that this House has the right to hear from him on whose instructions he made the visit which he made. With all due respect, I fail to see why that question is in any way improper.

Some hon. Members: Hear, hear!

Mr. Speaker: The right hon. Prime Minister may seek to make an answer to that question, or as has been the practice in the past, to suggest that he might refer it to the current or former minister. That is the privilege of the Prime Minister, but the question clearly cannot be put directly to the minister in his former capacity.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot add much to what I said earlier, but it is true, as the present minister says, that he did seek Mr. Justice Mackay to talk to him at that time about a trial of students of Sir George Williams University in Montreal—

An hon. Member: Who authorized it?

Mr. Trudeau: —and that he did it at the request of a foreign government which wanted to know something about the trial and how it was proceeding. Mr. Lalonde informed me that the only matter which arose between him and the judge was as to the date at which the judgment would be rendered and that no other matters, such as those alleged in Mr. Justice Mackay's letter, were raised between them. It was merely a question of knowing at what approximate date the trial would end.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REQUEST MINISTER OF CONSUMER AND CORPORATE AFFAIRS RETURN FROM HOLIDAY

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is to the Prime Minister. In view of the fact that some of these extraordinary allegations involve the Minister of Consumer and Corporate Affairs (Mr. Ouellet), may I ask the Prime Minister if he, his Minister of Justice or any member of his cabinet or staff have been in touch with the Minister of Consumer and Corporate Affairs, who I understand is on vacation in Mexico? Have the views of the minister been determined, and in view of these extraordinary allegations is it the intention of the Prime Minister to order the immediate return of the Minister of Consumer and Corporate Affairs?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as the Minister of Public Works indicated a moment ago, the contempt of court case in which the Minister of Consumer and Corporate Affairs is involved is now being appealed. There are no allegations of which I know made by Mr. Justice Mackay beyond the fact that there have been contempt of court proceedings. I do not know if the minister has been apprised of the contents of this morning's newspaper. I know of no need to apprise him of that. There are no new facts alleged there. I am sure somebody at some point will tell him what is going on and what has been written in the newspaper, and he probably will be informed. Perhaps the new Leader of the Opposition who is also taking a vacation in Mexico, I understand, might tell the minister.

Some hon. Members: Hear, hear!

DECISION ON PAYMENT OF LEGAL FEES OF MR. HOLDEN

Mr. James A. McGrath (St. John's East): Mr. Speaker, I can assure you that the Minister of Consumer and Corporate Affairs will get back sooner or later. May I ask the Minister of Justice if he has been in touch with his colleague on this matter?

May I also ask him at the same time if a decision has been reached with respect to the legal fees of the special prosecutor, Mr. Holden, or does the minister hold to the

view of his deputy minister that he should look to the sugar companies for his fee?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, yes, the decision has been made. It was made some time ago. It is contrary to the Financial Administration Act or the Department of Justice Act to pay those legal fees in the way that is being suggested.

Mr. Speaker: Order, please—

Mr. Basford: I am sorry. There was another part of the question which I forgot. No, I have not been in touch with my colleague, the Minister of Consumer and Corporate Affairs this week on the matter. There is no reason for me to contact him with regard to the contempt proceedings which are before the court at the present time, and he is not involved in these three other allegations.

● (1500)

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker. During the question period, when the Prime Minister suggested a statement might be made by the Minister of Justice, the hon. member for Grenville-Carleton objected to such a statement being made during the question period. A moment later the hon. member for Calgary North asked the Minister of Justice a very specific question about a conversation between the Minister of Public Works and the Hon. John Turner. The reply of the Minister of Justice was not a reply to that question at all; it was a reading of a prepared statement that dealt with the three cases referred to in the letter of Mr. Justice Mackay.

I suggest, therefore, Mr. Speaker, that during the question period we had a statement by the Minister of Justice. I also suggest that when the President of the Treasury Board answered a question, he dealt with a matter that had nothing to do with his responsibilities as President of the Treasury Board and, added to that, it was a statement. The Minister of Public Works also made a statement about the whole matter. I suggest, Mr. Speaker, that the rights of the opposition have been interfered with by this practice.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): In fact, we had three or four lengthy statements by ministers during the question period, and when we reach the point in our proceedings for statements by ministers, replies by the opposition should be allowed.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. Minister of Justice on the same point of order.

Mr. Basford: On the point of order, Mr. Speaker, I regret very much that I appear to have transgressed the practice of the House and the rules that the hon. member for Winnipeg North Centre has referred to. I regret that I have been labouring under the impression that the purpose of the question period was to elicit information. I regret that my answers apparently have contained too much information for the opposition.

Some hon. Members: Hear, hear!

[Mr. McGrath.]

Mr. Speaker: The hon. member for Grenville-Carleton on the same point of order.

Mr. Baker (Grenville-Carleton): On the point of order, Mr. Speaker, I was the one who raised the question of ministerial statements. I would ask the Minister of Justice whether in the course of consideration of this matter over the next 24 hours he would consider very carefully the answers that have been given by the ministers involved or on behalf of ministers involved. I refer particularly to the Minister of Public Works who indicated that he had made the Justice aware of the full facts of the case. I think that is as close a quote as I can get. By any stretch of the imagination, lawyer or layman, that is an interference with the course of justice. Will the Minister of Justice examine all these questions overnight and be prepared to come to this House tomorrow and make a full and frank statement on motions, when there will be the complete right of this House to properly examine the matter in a way far beyond the question period?

Just before we finish this part of our proceedings, I would think it is incumbent upon the minister as well to inform the House what his intentions are with respect to any investigation that may be made by the Chief Justice of Quebec. I hope it is not the decision of the minister that the Minister of Justice or this government are necessarily bound by the results of any investigation by any person outside this House, whether or not that person is the chief justice of any province of Canada.

The Minister of Justice, as he said himself, has a very big and very important responsibility with respect to this matter, and a duty to report to this House that the Chief Justice of Quebec or of any province does not have.

Mr. Speaker: The hon. member for Oshawa-Whitby on the same point of order.

Mr. Broadbent: Mr. Speaker, on the same point of order, I am going to conclude by most seriously urging a couple of ministers to use the rules as they exist at this time in our proceedings to make statements on motions as they are entitled to do. The course of action that the Prime Minister has indicated the government is going to take in this matter makes it clear that at this point he has decided it is not going to be publicly discussed or publicly investigated. I think that is rather a mistake, but that is his decision.

Mr. Trudeau: It is not my decision.

Mr. Broadbent: By not having statements made in the House, particularly by the Minister of National Health and Welfare and also the Minister of Justice, to explain on the one hand their past actions and on the other their present course of action is a mistake, I think, and is a disservice to the House and to the public. In speaking on this point of order, I urge these ministers to make a statement on motions for the following reasons. The Minister of Justice has indicated that he is looking into the allegations made by the judge, and on the basis of some kind of consultation he has concluded that the only course of action that is proper is to refer the matter to the Chief Justice of the province of Quebec. I suggest that the only ground I can see for his reaching that conclusion is that he has accepted the word of the Minister of National Health and Welfare

over the word of the Justice who made the original allegation.

An hon. Member: Right on.

Mr. Broadbent: That is an extremely important point. Surely, as a minister of the Crown in a political party whose integrity in this case has been questioned by a particular judge, he has a responsibility to explain to this House how he reached the conclusion that all he had to do now was refer the matter to the Chief Justice of Quebec. I think this is extremely important.

Some hon. Members: Hear, hear!

Mr. Broadbent: Second, I think it is important that the Minister of National Health and Welfare—and I understand Your Honour's previous ruling on this matter; he was not a minister at the time he took the course of action that the judge said he took—as a minister of the Crown now would have a right under the rules of this House to get up and make a statement clearing up for the record the role he played and under whose instructions he acted; if he did not issue instructions to the judge in question, what he did; what was the nature of his position; if he acted under the request of a foreign government and acted on that request to interfere with the judicial process in this country. It seems to me he should have an explanation to present to the House to justify that course of action as well.

Some hon. Members: Hear, hear!

Mr. Broadbent: Finally, then, I think ministers should get to their feet and make a statement to the House that would provide a clear explanation of the conduct of those charged.

Mr. Speaker: The hon. member for Winnipeg North Centre.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, before you move on, I simply rise to say I was quite serious in my point of order that statements of ministers have been made and at this point, whether they are prepared to make further comments or not, the rules should apply and opposition members should have a chance to reply to those statements.

Mr. Speaker: The hon. member for Winnipeg North Centre raised the original point of order concerned with the answers given by ministers during the question period today. I am sure he knows full well, as do other hon. members, that there may be comments on the length or nature of replies given by ministers during the question period. That, surely, cannot be translated into surrounding them with a nature that makes them into a statement by a minister during that period of time. If such an attempt were made by a minister during the question period, I am sure the objection would be loud and long and what constituted a statement would have to be deferred to an appropriate time during orders of the day and would not be permitted during the question period.

Certainly no such objection was forthcoming during the question period. I cannot now place upon those answers that kind of character, any more than I could on other occasions make those kinds of rulings during the question period to change the character of an answer or in fact of many of the questions that are put.

The other point of order is one urging that ministers come forward and make statements on this subject. That point has been well made, but there is no ruling that can be made by the Chair in respect of this kind of representation.

[*Translation*]

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

Mr. Speaker: The hon. member for Lotbinière (Mr. Fortin) on a point of order.

Mr. Fortin: Mr. Speaker, I fully support the point of order raised by the hon. member for Winnipeg North Centre (Mr. Knowles). I am one of the members involved. I put my first question as well as my supplementary directly to the Prime Minister (Mr. Trudeau) and, as the hon. member for Grenville-Carleton (Mr. Baker) already mentioned, the President of the Treasury Board (Mr. Chrétien) thought it proper to answer with material he had on hand, just as if he was making a declaration under the Standing Orders of the House. I was allowed to speak on two occasions only, and after the President of the Treasury Board made his declaration, which I do not contest, I was no longer entitled to put a supplementary concerning an answer given by the minister, when I did not even ask for it. Mr. Speaker, I feel that our rights are violated on this matter, that both the hon. member for Grenville-Carleton and the hon. member for Winnipeg North Centre (Mr. Knowles) were absolutely right. The ministers try to evade the issue by making statements when and where they wish, thus preventing the opposition from shedding light on such questionable issues as those we are discussing today. Either we are allowed to ask questions, or we are not.

● (1510)

[*English*]

It seems to me, Mr. Speaker, that it is not an answer period; it is a question period.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I think I have the right to point out that early in the question period several members tried to raise points of order. I got up myself. Your Honour said you could not entertain points of order until three o'clock. Then, when I raised my point of order at three o'clock, you said it should have been raised previously, which is what I had tried to do.

Mr. Speaker: Order, please. We should be fundamentally clear on what has taken place. Extensive, lengthy questions were put to ministers from the beginning to end of the question period. In every case, questioners were permitted latitude to ask lengthy, detailed questions. Similarly, latitude was allowed to ministers in making their responses to lengthy questions. If I were now to make the interpretation that such lengthy replies ought to have been made by way of statements on motions, that might constitute a criticism of the ministers. To go one step further and say that they in fact constitute a statement on motions

would, it seems to me, fly in the face of our Standing Orders.

ROUTINE PROCEEDINGS

[*English*]

CANADIAN FILM DEVELOPMENT CORPORATION

TABLING OF AGREEMENTS BETWEEN CORPORATION AND CERTAIN CINEMA CHAINS

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I wish to table, in both official languages, the following documents: The agreement between the Canadian Film Development Corporation and Famous Players Limited; the agreement between the Canadian Film Development Corporation and Odeon Theatres (Canada) Limited; the statement of investment by Famous Players Limited for the period of August 1, 1975, to October 31, 1975; the report of the exhibition of Canadian feature films for the period August 1 to October 31, 1975, from Famous Players Limited.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 4,115 and 4,125.

I ask, Mr. Speaker, that the remaining questions stand.

[*Text*]

INCOME TAX ARREARS

Question No. 4,115—**Mr. Lambert (Bellechasse)**:

With reference to the answer to Question No. 3,891, what are the (a) names (b) addresses of the head offices of companies which are in tax arrears?

Hon. Jack Cullen (Minister of National Revenue): The provisions of Section 241 of the Income Tax Act with respect to the communication of information do not permit the Department of National Revenue to provide an answer to this question.

LIP—MONEY RETURNED FROM CONSTITUENCIES

Question No. 4,125—**Mr. Whittaker**:

1. Was money returned to the Local Initiatives Programme from constituencies and, if so, from which ones and, in each case, in what amounts?

2. Did any constituencies receive additional funds from the Local Initiatives Programme and, if so, which ones and, in each case, in what amounts?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1 and 2. Please refer to the L.I.P. 75/76 Allocation Process tabled in the House of Commons by the Hon. Robert Andras on February 9, 1976.

[Mr. Speaker.]

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call notices of motions for the production of papers Nos. 80, 81, 82 and 83?

[*Text*]

COPIES OF ALL DOCUMENTS RELATING TO SUBSIDY OF BOAT CONVERSION

Motion No. 80—**Mr. Marshall**:

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of minutes of meetings, letters, telegrams between the government and the Province of Newfoundland as it relates to federal-provincial cooperation to subsidize the conversion of boats for other fisheries.

[*English*]

Mr. George Baker (Parliamentary Secretary to Minister of Fisheries): Mr. Speaker, almost every activity the government is involved in includes some sort of discussion with the provinces during the formulation, development or implementation of policies and programs. The release of documents exchanged during the preliminary discussion phase related to policies and programs would very probably be detrimental to the future conduct of federal-provincial relations. I would therefore request that the hon. member withdraw his motion.

Mr. Marshall: Agreed.

Order discharged and motion withdrawn.

[*Text*]

COPIES OF ALL DOCUMENTS RELATING TO REGULATIONS OF THE FISHERIES LOAN BOARD

Motion No. 81—**Mr. Marshall**:

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all minutes of meetings, letters, telegrams between the government and the Province of Newfoundland as it relates to amending the regulations of the Fisheries Loan Board to reduce the down payment required to purchase new engines, electronic equipment and used fishing vessels, arising out of the recommendations of the Select Committee on Inshore Fishing.

[*English*]

Mr. George Baker (Parliamentary Secretary to Minister of Fisheries): Mr. Speaker, the government has no papers as they relate to this motion. The committee referred to was a committee of Newfoundland House of Assembly and the recommendation dealing with amending the regulations of the Fisheries Loan Board is identified in the report as a policy recommendation within the provincial domain. I would therefore request that the hon. member withdraw his motion.

Mr. Marshall: Agreed.

Order discharged and motion withdrawn.

[*Text*]

COPIES OF ALL DOCUMENTS RELATING TO GEAR LOSS INSURANCE PROGRAM

Motion No. 82—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all minutes of meetings, letters, telegrams between the government and the Province of Newfoundland as it relates to negotiations towards a federal-provincial gear loss insurance programme between Canada and the Maritime Provinces.

[*English*]

Mr. George Baker (Parliamentary Secretary to Minister of Fisheries): Mr. Speaker, for the reasons stated with regard to motion for the production of papers No. 80, and as the matter involves the maritime provinces and Newfoundland and the question should have been changed to involve the Atlantic provinces, I ask the hon. member to withdraw his motion.

Mr. Marshall: Agreed.

Order discharged and motion withdrawn.

[*Text*]

COPIES OF ALL DOCUMENTS RELATING TO FEDERAL FISH HOLDING AND HANDLING FACILITIES

Motion No. 83—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all minutes of meetings, letters, telegrams between the government and the Province of Newfoundland as it relates to provincial management of all federally owned fish holding and handling facilities and thus upgrading to inspection standards.

[*English*]

Mr. George Baker (Parliamentary Secretary to Minister of Fisheries): Mr. Speaker, for the same reasons stated in motion for production of papers No. 80, I would ask that the hon. member withdraw his motion.

Mr. Marshall: Agreed.

Order discharged and motion withdrawn.

Mr. Speaker: Shall the remaining notices of motions for the production of documents stand?

Some hon. Members: Agreed.

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

FILING OF OBJECTION RESPECTING PROVINCE OF ALBERTA

Mr. Speaker: It is my duty to inform the House that an objection signed by the hon. members for Wetaskiwin (Mr. Schellenberger), Edmonton-Strathcona (Mr. Roche), Medicine Hat (Mr. Hargrave), Pembina (Mr. Elzinga), Edmonton Centre (Mr. Paproski), Battle River (Mr. Malone), Edmonton West (Mr. Lambert), Red Deer (Mr. Towers), Peace River (Mr. Baldwin) and Edmonton East (Mr. Skoreyko) has been filed with me pursuant to section 20 of the Electoral Boundaries Readjustement Act, chapter E-2, RSC 1970, to the report of the Electoral Boundaries Commission for the province of Alberta.

If the House agrees, I would suggest we follow past practice and print the text of the objection as an appendix to this day's *Votes and Proceedings*. Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order which really relates to the business of the House. I am referring to the electoral boundaries matter. I understand there is some question about the interpretation of section 20 and an amendment to that law. I do not have it in front of me. There is a question as to whether debate shall commence within the time set forth in the subsection and if certain rights are to be preserved thereby, or if debate must be commenced and completed within the time set forward in the act.

I understand that opinions will be obtained as to the interpretation of the matter. I raise it now because it is of concern to the government House leader and may affect the programming of government business. I wonder if this matter could be taken as notice. Perhaps we might look into the matter, particularly into the interpretation of the relevant section, as this matter may affect greatly the business the hon. gentleman opposite may put before the House. It could also affect the petitioners who signed. There is some question about the matter.

Mr. Sharp: Mr. Speaker, I thank the opposition House leader for bringing the matter to the attention of the House. I am aware of the uncertainty, which is being investigated. I hope to have an answer soon.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I thank the minister.

GOVERNMENT ORDERS

[*English*]

MEDICAL CARE ACT

AMENDMENT TO LIMIT ANNUAL INCREASE IN PER CAPITA COST OF INSURED SERVICES UNDER MEDICAL CARE PLANS

The House resumed, from Tuesday, March 2, consideration of the motion of Mr. Lalonde that Bill C-68, to amend the Medical Care Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, when I called it ten o'clock yesterday evening I told the House that the previous minister of national health and welfare said the cost of health services had risen so rapidly

in Canada in recent years that three alternatives were imminent: first, the standard of health care available could be reduced; second, tax premiums or deterrent fees could be raised even higher; third, ways had to be found to restrain the growth of cost increases through the better operation of the health service structure in existence.

● (1520)

I know the government will probably say that Bill C-68 achieves the last goal, to restrain the growth of cost increases. I am equally sure the members of this House who have spoken on this bill and others who will speak are convinced that Bill C-68 leaves open the potential for the other two options, reduced health services and increased taxes and premiums. Let us look at what is happening in Ontario, for example. The government announced last June that ceilings would be put on federal involvement in medicare. Bill C-68 has been introduced and the government of Ontario has found it necessary to begin a program of hospital cutbacks, including closure of a number of the smaller rural hospitals.

While on this point, it has been brought to my attention that the leader of the provincial Liberal party has been moving across the province speaking about the heartless actions of the present Queen's Park administration. If he were really honest and sincere in this matter, he would be making his appeals here and launching protests with his confreres regarding their cutbacks in medical costs. This has a vital bearing on the whole question of the provision of health care including hospital care in the province of Ontario.

I would like now to question the basic premise of Bill C-68. The government has admittedly introduced Bill C-68 in order to encourage economies in medical and health care. This bill, however, has no way of ensuring this. Nothing in the bill stops the provinces, for example, from improving their health care services and nothing stops doctors from demanding salary increases. Actually, all this bill does is ensure that if either of these two events should occur, the provinces will have to pick up the extra cost either in the form of increased premiums or from provincial revenues. In short then, if costs still continue to rise, and they probably will, the provinces will be faced with three alternatives: first, to set aside other necessary programs so that the provincial treasury can cope with the extra burden; second, to increase premiums to offset increased costs; third, if they cannot meet the budgetary restraint, medical services will have to be reduced. These are three very unhappy alternatives, to say the least.

Bill C-68 is following basically the 1969 task force recommendations concerning the need to face up to rising health costs. Unfortunately, the government's action has put Canadians in a situation where they are faced with the two alternatives that the minister's predecessor rejected outright as not alternatives at all, that is, reduced health care services or increased premiums and/or taxes. In other words, the Minister of National Health and Welfare (Mr. Lalonde) has put the provinces in a position where if medical costs increase at a rate greater than that allowed by the 1975 ceilings, the provinces will be forced to seek those very solutions that the federal government foresaw as unacceptable and undesirable in 1969.

[Mr. Patterson.]

As we are all aware, the British North America Act does not make any provision for cost-sharing practices between the federal and provincial governments grounds for being in the health field, except possibly under the peace, order and good government residual clause of the BNA Act. Both cost-sharing and federal involvement are the result of convention and the ongoing process of developing Canadian federalism. The practice of cost-sharing, not only in health but in education, welfare and other areas, has helped to maintain national standards. As well, the very principle of co-operative federalism has become one of the unique and distinguishing features of our nation's federal structure. The government's five-year notice for its withdrawal from the present hospital insurance plan, and the imposition of ceilings on contributions to medical insurance threaten both the principle and practice of co-operative federalism.

I would draw to the attention of the House that in the initial move in this direction the federal government insisted on introducing the plan. I well remember the controversy at that time. The rumors, and I do not think they were ever refuted, were that the government was just about at the point of letting the whole plan drop. It was suggested that they make a try with one province. The premier of that province came to Ottawa. Almost hilariously, the government announced that approval had been given and the program would proceed. Therefore, it was at the instigation of the federal government that this plan was initially put into operation.

As far as I can understand, the promise was given without any qualification that the federal government would pay an average of 50 per cent of the cost. I do not think it was an over-all 50 per cent for each province. It was more of an average, with the result that some provinces did not receive 50 per cent while others did. In any event, the federal government promised, without qualification, to pay an average of 50 per cent of the cost. In view of the fact that the federal government instituted the plan and placed pressure on the provincial governments to participate in it, they should be duty bound to continue the formula until a program is in place which is mutually satisfactory to the federal and provincial governments.

Lower cost service programs should be in place before we contemplate any reduction in present medical services. This can only be accomplished by adequate consultation and effective co-operation between the federal and provincial governments. This consultation and negotiation is absolutely necessary in the circumstances existing at the present time. In conclusion, the federal government is duty bound to co-operate with the provinces until a satisfactory solution is found. When the provinces agree on a formula that is fair and equitable, possibly then the federal government can move in the direction proposed in this legislation. However, it is morally wrong for them to do so before this takes place.

Mr. John Rodriguez (Nickel Belt): Madam Speaker, I rise to speak in support of my colleague's amendment which calls on this House to hoist Bill C-68 for a six-month period. This is a very reasonable amendment. It would give the Minister of National Health and Welfare (Mr. Lalonde) and his provincial counterparts time to get together to

discuss the whole question of how best to deliver health care services to the people of Canada.

We have heard a lot in this House about federal-provincial co-operation and about how the consultative process works. We have hear very often in this House about the consultative process at work. That is co-operative federalism, my hon. friend from Nanaimo-Cowichan-The Islands (Mr. Douglas) tells me. We in this corner of the House support that concept. That is the nature of confederation; it is getting together and agreeing among ourselves. That is the way we govern ourselves in this country. There can be no other way. When one party acts in a high-handed manner and makes decisions which place the second party to the relationship in a bind, what results is confusion and conclusions are reached off the cuff which interfere, in this case, with the proper delivery of health care.

● (1530)

I should like to take a few moments to deal with the situation in one province, the province of Manitoba, which believes that Bill C-68 is an insult because of the lack of consultation. Manitoba believes the bill to be fatuous and unnecessary because of the existence of the government's anti-inflation program. Surely the anti-inflation program ought to handle the problem which hon. members opposite are trying to solve by means of this draconian measure, Bill C-68.

In Ontario, as the minister well knows, we find decisions being made by the Tory government and by the minister of health of that province, Mr. Miller, who is going about the province trying to tighten up the health services in response to the threats implied in Bill C-68. We see headlines in the newspapers such as "Civic vows to fight cutback", "Exodus by top psychiatrists is seen after health care cuts", "Cutbacks worry mental health officials". Then we find Mr. Miller saying that for the time being there are to be no further hospital closings. Nevertheless, he held out the prospect that there might be more closures next year.

All this should concern us here because we have a responsibility to make sure that Canadians receive proper health care services. The actions of Mr. Miller have served only to estrange the community. They are resulting in high unemployment among workers where hospitals have been closed or beds eliminated. This is no way of dealing with any escalation in hospital medicare costs. The federal government stands condemned because by its actions it is encouraging the provinces to undertake these harum-scarum closures.

What is the government doing in the field of preventive medicine? What is it doing in the areas for which it has a responsibility for providing leadership—for example, in the area of industrial safety? I want to quote from a speech made by the Minister of Energy, Mines and Resources (Mr. Gillespie) to the Mining Association of Canada on Wednesday, February 25, 1976. In that speech he had this to say about industrial safety particularly in the mines:

> We could, justifiably, improve mine safety. Our record is not good. According to a study by Labour Canada, there are more man-days lost through work-related injuries than through strikes. As well, on an all-industry basis, the number of fatal accidents as a percentage of the labour force has not only increased but is significantly higher—

The Acting Speaker (Mrs. Morin): Order. The hon. member is straying from the subject, which is an act to amend the Medical Care Act. Perhaps he could confine his remarks to the subject of the bill.

Mr. Rodriguez: With all due respect, Madam Speaker, I am thinking of what the minister himself said in the speech in this House on this particular amendment.

Mr. Lalonde: On a point of order, Madam Speaker, I would remind the hon. member that I have not spoken in this House on the amendment.

Mr. Rodriguez: I should have said I was thinking of what the minister had to say on the motion, Madam Speaker, not on the amendment. In the course of his speech, the hon. gentleman stated:

> On an all-industry basis, the number of fatal accidents as a percentage of the labour force has not only increased but is significantly higher—1.6 per 1,000 employees in 1974—than the all-industry average which is less than 0.2 per 1,000 employees. It has also been shown that about 85 per cent of these accidents result from human error.

If the government is so interested in controlling the cost of medicare, it should obviously be embarking on a program of industrial safety. As I say, the government has a direct responsibility for safety in the uranium mines of this country. We have known for a long time that the uranium mines at Elliot Lake have allowed the safety limit to be exceeded, that workers in the mines have been exposed to radiation, dust, and so on, to such an extent as to make conditions hazardous to their health. The government knew this, the provincial health minister knew it, yet they permitted those workers to continue to work in a hazardous environment, with the result that the men came down with silicosis, or in some cases lung cancer.

What I am pointing out, Madam Speaker, is that this resulted in a great burden to the taxpayer. It seems to me that members who sit on the other side have no excuse. They have done nothing about industrial safety in the mines over which the government has jurisdiction. Instead, they bring forward a bill such as we now have before us and say, in effect, "You fellows will have to cope as best you can."

The amendment which my hon. friend has put forward proposing a six months' hoist is a good idea. It will allow a cooling-off period during which the provincial and federal health ministers can meet once again in a spirit of co-operation, in a spirit of seeking a compromise which will allow for the better protection of the health of Canadians. Hiding behind this bill reducing federal participation in increased medicare costs amounts to an avoidance of the major issue. The government is failing to live up to its responsibility. The minister ought to take our advice and approach the provincial health ministers once again in an effort to arrive at a better solution to the problem. As I say, even in the area where the government has jurisdiction, namely, the uranium mines, it has failed to live up to its responsibility.

● (1540)

Even in the area of workers who work for the federal government, according to the latest report of the public service, 1974-75, there were 22,218 accidents, with a direct cost of over $7 million, not including the cost to medicare.

Of this figure of 22,218, over 10,000 were injuries in the Post Office Department, and almost 7,000 of those 10,000 injuries were disabling in nature.

The Acting Speaker (Mrs. Morin): Order, please. Again I must remind the hon. member that this bill is not a bill on industrial safety. The hon. member may make occasional references to industrial safety, but this bill is to amend the Medical Care Act.

Mr. Rodriguez: With all due respect, Madam Speaker, this bill deals with medicare and the participation of the federal government in the increasing cost of medicare. It seems to me that any kind of protection for workers which adds to the cost of the medicare program of this country is very relevant. I am saying the government has a responsibility to provide some kind of industrial safety program for their own workers so they do not become injured on the job. I am pointing out that in the Post Office Department there were 10,000 accidents in 1974-75, of which 7,000 were disabling, which means that the taxpayers of this country, through medicare, had to foot the bill.

I am suggesting that if the government were to embark upon a preventive program, we would not have to pay out of medicare this kind of expense. The government stand condemned by their lack of any program in this area. I say this is very relevant, Madam Speaker. The 7,000 disabling injuries in the Post Office Department had a direct cost of $3.5 million, not including the cost to medicare.

If the government does want to cut back on medicare costs, there are other ways of doing so. I mentioned previously that we do not have to put chronic care patients in active hospital beds at $200 a day. Surely it is not beyond the imagination of the government to find a less expensive way to treat chronic care patients. In northern communities like mine it is not necessary for a doctor to see every single patient who has suffered a scratch or a bite, or whatever it may be. We have never developed paramedics in this country so we can take care of that kind of thing. It seems to me that this whole business of slapping plasters on sores, of sticking your finger in the dike whenever you have a problem, as in this instance we have a problem with medicare costs, cannot be solved by bringing in a bill cutting back on the federal contribution to shared-cost programs, which forces everyone else down the line to do all sorts of stupid things and make illogical decisions regarding medicare.

It seems to me that this kind of legislation is not in the best interests of the Canadian people. Once more I suggest that the amendment of my colleague is a very wise one, one that would recommend itself to any logically-thinking person in the House. Therefore, I call upon the House to support the amendment that calls for a six-month postponement of this monstrosity known as Bill C-68.

Mr. James A. McGrath (St. John's East): Madam Speaker, this bill will impose a particularly heavy, unfair and unjust burden upon the poorer provinces of Canada, upon the underprivileged and those in low income areas. When one speaks of the poorer provinces of Canada, my own province comes to mind. There is no way we can afford to maintain the level of health services we now have, which have been achieved under the existing legislation, if the present bill becomes law. It may be helpful to reconcile that statement with a few interesting statistical facts relating to the province of Newfoundland. For example, we have the highest birth rate, the lowest death rate and I believe the second lowest, if not the lowest, per capita income of all the provinces of Canada. We have taxed our people to the very limit of their capacity to pay. This is why I cannot conceive of the government bringing in a bill such as this.

When I look at the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) who pioneered in this area when he was premier of Saskatchewan, I wonder what must be going through his mind. He knows the difficulty he had to introduce the program and to get acceptance of the principle of medicare in Canada. The arbitrary action that will flow from this bill will impose great injustice upon the people of Canada, because the government is drawing from this bill the authority to make arbitrary decisions. In so doing, Madam Speaker, the government is completely destroying the very concept of equality of health care services which, to the credit of the government, under the existing legislation is a model for the world, certainly for the western world. Only a few months ago the very distinguished United States senator, Senator Kennedy, came to Canada to examine our medicare plan and at that time he referred to the program that we have in Canada under the existing legislation as a model for the free world to follow. By arbitrarily imposing ceilings on the limit that the federal government can spend, this bill is imposing restraint upon the poorer provinces.

Perhaps one could argue that the best ceiling that could be imposed upon the lower income provinces is their own capacity to meet their 50 per cent share of the cost. No one knows better than the minister of finance of the province of Newfoundland, who has to bring in a budget within a few days, that he must place restrictions on medical care payments in Newfoundland in order to keep our own health care costs under the 50-50 agreement within line. I think that fact has been lost sight of.

In talking about restraint, Madam Speaker, we call to mind the current program of the government to cut back on spending generally, with the co-operation of the provinces. We talk of restraint within the federal government itself and about eliminating expenditures on Information Canada. Similarly, the provinces are asked to show restraint in their spending. As a contribution to the fight against inflation we have cut back on our hospital building program. We have eliminated the program to provide additional hospital beds. We have cut back on our program to provide additional roads. We have cut back on our program to provide additional schools.

In some provinces these matters are taken for granted. But in the low income and underdeveloped provinces of Canada the fact of the matter is that when restraints are placed on spending, it is not on the kind of extravagances we refer to and which are being cut back in the federal government's budget. Rather, we have to put restraints on the kind of essential services that the other provinces of Canada take for granted. Let me point out, for example, that the ratio of hospital beds per thousand population in the province of Newfoundland is by far the lowest in the

country and considerably lower than the national average: it is 5.8 beds per thousand population.

● (1550)

The doctor-patient ratio in the province of Newfoundland is the second lowest in the country. I think perhaps it is lower in the Northwest Territories. In Newfoundland there is one doctor for every 937 people. Even these statistics are misleading because of the very wide dispersal of our population over an area of 153,000 square miles and the additional expenses that are imposed upon our province in its effort to provide minimum health care services for this widely scattered population. Naturally, the doctors tend to drift toward the large urban areas, leaving the people in the smaller outport, such as the fishermen on the coast of Labrador, without health care services apart from those provided by the provincial health nurses and, except in the more northern regions of the province, those provided by foundations such as the world renowned and well respected International Grenfell Association. As I say, these statistics are in fact misleading.

This bill gives the province a great deal of misgivings and a very deep concern about its ability to continue to maintain the level of services it has been able to achieve under the existing national 50-50 cost-sharing program. If this bill should become law, we will not be able to maintain the present level of health services because of certain indisputable facts such as the continued growth in population. Newfoundland has the highest birth rate of any province in this country. There is also the continual erosion caused by inflation and the escalation of our costs as a consequence thereof.

As I say, we have already taxed our people to the point, or perhaps even beyond the point in certain instances, of their capacity to pay. At the present time we have the distinction of having the highest sales tax in Canada. It is the highest by far. We also impose the highest gasoline tax on our people. We impose among the highest, if not the highest, income taxes on our people. Of course, there are other taxes as well which are not imposed elsewhere, such as taxes on fuel oil, and municipal taxes which have to be imposed by our smaller municipalities and, indeed, by my own city because of the very limited industrial base we have there. We have additional taxes such as those on fuel oil, entertainment, and so on.

I have already referred to the fact that unemployment continues to escalate. We continue to suffer more than any other province from the consequences of the recessionary situation that is now plaguing our economy. I dread the thought, but as this year progresses I believe our unemployment situation will become worse. There will be an even heavier burden upon the province in providing social assistance under the Canada Assistance Plan, because when we talk about these cost-sharing programs we are talking about a 50-50 situation whereby when costs escalate so far as the federal government is concerned, the same escalation takes place so far as the province is concerned and it has much less capacity to meet the escalation than the federal government with its substantial tax resources.

I hope there may be a disposition on the part of the government to reconsider the consequences of this bill. I find it very difficult to understand why the minister has not deemed it necessary to sit down and meet with his provincial counterparts, the provincial ministers of health, or failing a full-scale federal-provincial conference of health ministers why he does not hold a series of meetings across the country on a one-to-one basis so that the minister may have some idea of the inequities of the legislation now before the House?

This legislation will create problems for the greater provinces of Ontario, Quebec, British Columbia and Alberta, but it will create horrendous problems and injustices for the developing provinces, the low income provinces, especially the four provinces of the Atlantic region. That is why I hope the minister will reconsider this legislation. I certainly commend to the House the amendment put forward by the hon. member for Yorkton-Melville (Mr. Nystrom) to the effect that this bill not now be read a second time but that it be read a second time six months' hence. This would give us the opportunity we need to measure more accurately the impact of the bill upon the slow growth regions of the country, the poorer provinces of the country.

In closing, I should like to place on the record the position put forward at the last federal-provincial health ministers' conference by the province of Prince Edward Island, which is also the position of the province of Newfoundland. We did not participate in that conference due to circumstances beyond the control of our minister at that time. I refer to the August 18, 1975, conference held in Victoria. The following is the position of Prince Edward Island:

> The implementation of Bill C-68 would have a very serious effect on the level of health care services in P.E.I. . . . Our resources are severely strained to meet the rising costs with federal contributions under the present arrangement. Under the Turner proposal, the strain would very quickly pass the breaking point . . . Under the new proposal it will be difficult to maintain the present standards of health care services with no hope for ever attaining the national standard.

That is the position of Prince Edward Island and it is also the position of Newfoundland. I suspect it is also the position of the province of New Brunswick, the province of Nova Scotia and the Northwest Territories.

● (1600)

[*Translation*]

Mr. René Matte (Champlain): Madam Speaker, I would like to take this opportunity to make some restatements which seem to me to be necessary. I must point out that the colleagues of my party who have taken part in this debate have already clearly indicated their basic objections to that bill. I will therefore state the essential points which seem to me to be so important that they should be brought forward.

We must understand that when the House considers such a bill the difficulties which are experienced are greater when there is a basic defect and I will explain. Since the provinces are mainly responsible for health, social welfare and family matters, it is always difficult and complicated to try to coordinate and plan matters and we can only get to their core if we consider them from all their angles and under their regional aspects.

And thus, having interfered for a long time in matters which should not properly be under its jurisdiction, the federal government sometimes gets tied up in quite inappropriate legislation. In my opinion, this is the case with this legislation, for in fact, Madam Speaker, why do not we give back to whom they belong the responsibilities in the matters under their jurisdiction. And if the federal government is collecting too much money through income tax and other levies, if it feels it has to interfere in issues which would normally be under the exclusive authority of the provinces, then let us make the necessary amendments and give back to the provinces the appropriate sums of money to help them meet their own responsibilities. That is what we should be speaking about rather than try to plan or coordinate the health services for the whole country.

Another point which I feel has been forgotten and on which we are not dwelling, or at least not enough, is the fact that by the very nature of the amendment proposed by the Minister of National Health and Welfare (Mr. Lalonde), a fundamental and obvious principle is questioned: Can we play with health? In this area more than in any other, should we not rather insist exclusively on the needs, and in no way limit ourselves to medical care, most of all under the fallacious pretext of material and financial considerations?

I find it abominable to suggest that expenditures can be curtailed in this area and potentialities of improvement must be limited in as essential a field as health. I believe the minister has not adequately considered the implications of such a move. Will it not result, for instance, in the fact that people will say: Well, it is too bad, but we cannot get the medicare we need because the law prevents us from spending such an amount of money in this field? Will this type of reasoning not lead a great many individuals of this country to wonder whether this inflation control does not finally mean the suppression of a number of citizens?

Madam Speaker, one can reach all sorts of conclusions when one questions as basic a principle as people's health. All the more so that I do not really believe that in a country as large as Canada, in an impossible country geographically speaking, we could find ideal formulas? How could we possibly settle in exactly the same way health problems in the Yukon, the Northwest Territories, Quebec, British Columbia or Ontario? To think it possible, is in my view, to make the following judgment: We must leave it to each of these areas to administer efficiently the field of health and all we need do is favour each of these areas in the country so that they can provide adequate, appropriate and efficient care. Several hon. members in this House have mentioned for example that there is a lack of physicians in some regions. Elsewhere there is a lack of hospitals or clinical centres for example. One realizes there are so many disparities and there is so much diversity between the different areas that it is impossible to establish financial and monetary standards according to which the quality of care to be provided to ill people would be the least restricted.

● (1610)

This is why I am urging the minister and the federal government to consider the possibility of continuing negotiations with the provinces to come to an agreement which would enable them to get better organized rather than forcing them through financial control to go as far as to reconsider the expenditures to be made in this area. Can the province of Quebec for instance afford to prevent the increase in the number of physicians which should provide better service to all the areas of Quebec? This is an example but of course all other areas in the country face the same problem. It seems to me the federal government cannot allow that. Some people say that this is not what we are aiming at, that we are simply trying to prevent squandering and abuses. That is all very well but shall we forget in the process what is the very purpose of health care? I do not think so and this is why I believe this bill may bring health care to a standstill and impede the progress which should constantly be made in that field. In other words, it may jeopardize national health, nothing less.

That is why I am against this bill and I would of course have preferred an announcement by the minister that a formal agreement has been drawn up with the provinces, which would give them much more leeway to settle all the health problems for the benefit of all areas throughout the country. Solving these problems should not entail economic cuts but on the contrary applying to the field of health care the exceptional policy of unrestricted expenses to meet the public need and not to beat inflation. In other words, if there is an area which should not be affected by the fight against inflation, it is definitely health care. Since this bill is an anti-inflation legislation, I believe we are on the wrong course and the minister should seek another solution.

Mr. Roch La Salle (Joliette): Madam Speaker, it will have been of some use. I see that even now some of my colleagues across the way seem to be in great shape. I hope to hear them speak to Bill C-68 later on, Madam Speaker. I have already had the opportunity of speaking to this bill so I shall be rather brief.

Some hon. Members: Hear, hear!

Mr. La Salle: I feel this is one of the best opportunities we could have of inviting the minister to reconsider his bill, to reconsider his position. What is important today is not the resignation my colleagues speak of, but Bill C-68. That is what is important!

So, Madam Speaker, having already spoken to this bill, and deplored the attitude of the government which seems to want it passed on the double, and knowing full well that, even as I speak to you now the provinces feel that this bill is anything but interesting for them, I believe that in the context of federalism whose advantages we tend to laud so readily, meeting the needs of the provinces and finding an equitable solution to allow them to co-operate fully with government are a matter of principal. But that is not the situation at the present time.

Yesterday, the parliamentary secretary, and I say I take advantage of this amendment, among others, which requests a six months' hoist. I have already asked the minister whether it might not be wise for him to have the unanimous agreement of the provinces, and a solution which may not be easy to imagine. I do not infer that the minister made no effort to get a positive reaction from the provinces,—but as he did not yet get their agreement, I think that as a representative of a political party, as a

member of parliament, it is important to request a six months' hoist from the government and the minister responsible, to allow the minister and the provincial ministers of course to reach a fair agreement for all eleven governments. Moreover, the parliamentary secretary was saying yesterday that the federal government wants the provinces to indicate clearly what they intend to do in the next five years as regards medical and hospital care. We ought to know what the financial needs will be if we want to invest in less expensive services, and we cannot expect the government to supply money without knowing what are the long term projects of the provinces.

I think the federal government is fully justified in wanting to know how much the provinces are prepared to contribute, no doubt about it. I think it is the very reason why we request and support this recommendation to the House for a six months' hoist in the application of this legislation, in order to allow the minister to get what the provinces have apparently failed to give him, and to find a solution that the provinces need to know. I know very well that on April 27 and 28, I think, a federal provincial conference will be held, gathering the provincial ministers around the same table; the province of Quebec and other provinces will certainly make propositions and, considering the increasing costs, I wonder to what extent this issue was discussed.

The provincial ministers recognize that the cost will increase, so it is unthinkable to accept that this legislation freeze the federal government's share when we all know, and there is no need to repeat it, that the federal government invited and, in certain cases, forced the provinces to participate in this plan. Obviously, for a long time the provinces have been establishing goals, getting organized in the firm belief they could count on very generous assistance from the federal government; I would think they planned their objectives counting on the 50 per cent share which, until today, was unlimited. To what extent does the federal government have to correct abuses and waste? Maybe it did in some provinces. But to ratify a legislation which takes away, or rather allows the federal government to freeze its involvement, which leaves to the provinces the task of paying these increasing costs for reasons which may be beyond control, is unacceptable, we say, and it is for this reason that we ask the minister to reconsider his position and his decision.

Madam Speaker, I do not want to prolong the debate, but I feel that when we find that the agreement is not accepted by the provinces, in my opinion it is inconceivable, I would even say it is indecent that the government refuses to listen to the provinces and to find a solution. I wonder how the members of this government can refuse to listen to the provinces at this stage. We know perfectly well that the citizen's health is something essential. We agree that the government makes some efforts. We are aware of it. We recognize it, but we also recognize that it is impossible in such a short period on the one hand to prevent these eventualities, and on the other to embarrass the provinces and abandon them in a bad situation for which they are not alone responsible.

The involvement of the federal government was welcome by the provinces and by all Canadians, and we do not think, for the reasons mentioned by the minister or the government, that this legislation should be applied in the short term. We recognize however that the provinces are being placed in a very difficult position and, for that reason, I take the liberty of making my comments this afternoon, because I think the government should respect the desires and needs of the provinces. I suggest this government could cooperate more and coordinate the efforts of the provinces in order to ensure public health.

Under the circumstances, Madam Speaker, I have no hesitation in saying that I will support the amendment, because I am convinced it is imperative to wait a few more weeks, that is until April, when the provinces, with the federal government representative, will have a very special opportunity to reopen discussions on this matter.

And this is the question. Why does the government refuse to wait for this conference to discuss the matter and try to reconsider this federal government proposal? Why does the government want to call upon us to agree to this legislation whereas the provinces are quite willing to return to the bargaining table here in Ottawa, to renegotiate these agreements, trying to correct abuses that have taken place, one must admit. Subsequently, it would be necessary to assess in the light of discussions a formula that is acceptable to the provinces and that will provide the maximum of medical services to those who need them in this country.

This is, Madam Speaker, what I wanted to say in an attempt to bring the minister to these negotiations, to this opportunity of discussing with the provinces, by calling upon him to think seriously of the respect his government must have for the provinces. I also urge hon. members to ask their own government to consider the arguments put forward by opposition members in this House, who try to serve the interests of the Canadian society. This legislation is not more discriminatory for one category than for another, but we are looking for equity and justice for all Canadians as well as respect for the provinces that make up our country.

In these circumstances, Madam Speaker, I will conclude by asking and pleading with the minister to at least postpone the debates in order to enable the provinces to discuss the matter with him, to give them the opportunity to provide the minister with as much information as he may need, and his parliamentary secretary did outline this need. The provinces should be able to answer the federal government when it states its intentions. It is also the federal government's responsibility to be prepared to listen to the provinces' needs and obligations and not to reject its involvement that is required to provide good services to the Canadian people.

Madam Speaker, I hope the minister will take the time to reconsider his position, and in light of the arguments made in the House and those that will follow, I think this amendment aimed at delaying the application of this bill for six months is quite valid. Even if it were only two months, this would at least allow the provinces to come back and make the proposals they want and thus hope that the minister will pay more attention to the recommendations of the provinces. The opportunity is there at the end of April when the meeting could accomplish the objective we seek—refrain from placing the provinces in a straightjacket, as Bill C-68 will do, but rather being as open as

when we had the participation which was certainly very generous on the part of the government, which was accepted by the provinces as a whole and by all Canadians. This allowed the provinces to provide better services, more generous care to Canadians. I think we cannot thus reduce care and services for selfish reasons.

I do not think that the government is prepared to do this, and I hope that my appeal and those of my colleagues will be heard by the minister and that provincial ministers who still expect a lot from the minister in charge in Ottawa will lend an attentive ear and the provinces will finally have the opportunity to be heard at the end of April before this legislation is passed. I, for one, will oppose it as much as I can as long as the provinces do not receive that answer to which they are entitled and as long as the federal government will not take its responsibilities vis-à-vis the people of this country.

● (1620)

[*English*]

Mr. Cecil Smith (Churchill): Madam Speaker, I am pleased to speak on Bill C-68 as medicare in the area I represent is an important issue. Mine is an area of high unemployment. Its people are not the wealthiest. Before 1948 there was medical service for many areas of the north only when the minister's wife visited, when the visiting Hudson's Bay manager's wife or the service officer's wife applied a dressing or when a doctor accompanied a treaty on its annual visit to pay treaty dues to the Indians. At the same time they would X-ray people to see if they had tuberculosis. The doctor or nurse accompanying the treaty party would examine the people and the critically sick were flown to hospital. Families lived on the trap lines and it was a case of survival of the fittest, which explains the high mortality among people of the north, especially the children.

In 1948, after the churches and people in the north exerted pressure, nursing stations were established in some of the more isolated communities. Then, when the government paid people of the north family allowances, the people left the trap lines to send their children to school. This exposed them to illnesses which needed medical attention.

Community pressure made the government install radiotelephones. Without them it was impossible to summon help when someone was sick, it was impossible to get people from isolated communities to hospital, and medical service was irregular. Few aircraft served the north in those days and sometimes it took days, even weeks, to bring a person medical attention.

In 1966, Manitoba instituted the emergency landing airstrip program. It was not meant for aircraft in distress but for people who needed emergency medical help. Remember, these northern communities are not connected by a network of roads; they are mostly isolated. For some years we have tried to convince the federal government that the people of the north come under federal responsibility. The federal government says to the provinces, "Those people live in a province; you should look after them." I am not talking about treaty people; I am talking about all the people of the north.

Nursing stations set up in the north could provide only interim medical services. They were equipped with a couple of beds, were manned by nurses and were graced by a doctor who might visit once in six months. The situation has changed completely. Medical services provided at nursing stations have brought down the mortality rate of Indian children in the north. I pay tribute to those who serve at these nursing stations. Often, nurses at the stations do the work of a doctor.

Whenever I see a city ambulance rushing someone with a broken leg to hospital, its sirens blaring and lights flashing, I think of the people in my area of the north. Often it takes days for word to get to the outside world that a person is critically ill and needs medical help. So I think the government's cutting back on medicare contributions to the provinces is a step backward. The people of my area do not live next door to a hospital. There is not even a road on which you can drive a car or ambulance, if there is one. Some communities of 3,000 and more were not served by a doctor. The people of the north are now accustomed to medical service. We cannot take it away from them. We must provide medical service to people in remote areas; if we do not, mortality rates among northern Indians will again rise.

I am sure the people of the remote areas will not stand idly by and allow the federal government to do what it is trying to do. I hope this bill is defeated. I hope we can continue to supply medical service to the people of the north who must depend on the government for these services. It is the responsibility of the federal government to provide these services to the people of the north in general and the treaty people in particular.

● (1630)

I have spoken about the airstrip program. These airstrips were set up for emergencies in order to take people out of the area for medical treatment. However, along came the federal Department of Transport which said the airstrips could not be used for scheduled runs of aircraft. This meant that nurses in the nursing stations in many cases—I have mentioned this in the House before—actually had to pile up their patients until they could charter an aircraft to take them out. They did not have the funds necessary to transport a single person to hospital. This actually happened. I raised this matter in the House. Fortunately, someone took up the matter and before long money was provided and an aircraft could be chartered to bring out a person when sick.

This puts a great deal of responsibility on a nurse living in a remote area 250 miles away from a doctor. She does not have proper communication or other facilities. She has to decide whether a person requires emergency medical service or can he held for a couple of days until an airplane she must charter can be filled. This is asking too much of the nurses who man these nursing stations. They are doing a commendable job. However, they are not being paid as doctors; they are being paid as nurses to look after the sick until such time as they can be transported to hospital. This bill will cut back the contributions to the provinces. That cutback will be felt right down the line to hospitals in remote areas in the far month: they will also be cut back.

Over the past 20 years we have begun to see that there is a future for medical services and medical supplies in the north. It is hard to explain, but there is a feeling in the north that what we have accomplished in the last few years we will lose in a matter of two years; we will be right back to where we started. People are asking whether we can do something to upgrade our services rather than downgrading them.

I will not get into the other areas; they have been very well covered by my colleagues. I wish to emphasize again that we should not pass this bill as it will hurt our people, especially those in the remote areas where facilities are not now available. As Canadians, they deserve these services as much as anyone living close to medical facilities.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I appreciate the opportunity to speak on this amendment that the bill be not now read this day six months' hence, which is the same as killing the bill: and we make no bones about that. Before getting into my speech, I want to refer to some remarks I made in my first speech at second reading. I neglected to check *Hansard*. The *Hansard* reporters were probably accurate and I was not clear in what I said. On that occasion, the Solicitor General (Mr. Allmand) asked me if I remembered the answer that Tommy Douglas, a former premier of Saskatchewan, used to give for the reason he did not introduce medicare from 1944 until 1961. In the course of that reply, in which I thought I was magnificent, I said:

> Mr. Speaker, I am glad my good friend the Solicitor General asked that question because he will need to rely on the history of Tommy Douglas and his fight with his own caucus and his own cabinet over not only medicare, but also capital punishment, and a few other items.

What I meant to say, and should have said, is that I wanted the Solicitor General and all members of this House to rely on the history of Tommy Douglas and the fact that he did not have to fight with his own caucus, cabinet and party, not only over medicare but also the abolition of capital punishment. I want the record to be clear that Tommy Douglas, as premier of Saskatchewan, did not have to fight with his own cabinet, caucus party over medicare, and certainly not the abolition of capital punishment. I suspect that is not the case with the Solicitor General and his cabinet colleagues over medicare, capital punishment or anything else.

I also want to refer to an interruption in the speech of my good friend, the hon. member for Broadview (Mr. Gilbert), by a member of the official opposition. I think it was the hon. member for Pembina (Mr. Elzinga). It could have been the hon. member for Oxford (Mr. Halliday); I am not sure. In any event, the interruption came from a member of the official opposition. When the hon. member for Broadview was speaking about the closure of hospitals in the province of Ontario, the hon. member from the official opposition made assertions about the province of Saskatchewan under an NDP government closing hospitals. I whispered to the hon. member for Broadview at that time that none had been closed under an NDP government. The hon. member from the official opposition then asserted, on a point of order, that one had been closed in 1972 and three had been closed in 1973, or something to that effect.

I now wish to advise hon. member of this House that since the return of health, welfare and prosperity to Saskatchewan under an NDP government in June, 1971, the Saskatchewan government has not closed any hospitals. I repeat, it has not closed any hospitals. As might be expected from a Liberal government, they always talk a good fight, saying how they have been in favour of medical and health care since 1919. However, when in power they forget their words, and their actions spell out what they do, as in this bill.

Under the late Mr. Thatcher, the Liberal government of Saskatchewan from 1967 on closed eight hospitals. On the return to power of the NDP in that province, all those locations were reopened as community health and social centres, attended by visiting physicians, health region nurses, social service workers and serving as a focal point for clinics, prenatal care, ambulance facilities, and so on. So those facilities have been reopened by the Blakeney government in Saskatchewan since 1971, though probably not on the same basis as before. Those are the ones that were closed under the Liberal government of premier Thatcher. I hope I have set the record straight in that regard.

● (1640)

Before I proceed to make further remarks upon the stupidity of the bill before us, I want to remind members of the official opposition as well as members on the government side that whereas Liberals have closed hospitals in Saskatchewan, hospitals providing eight or ten beds. I was intrigued to learn that a 61-bed hospital was being closed in Paris, Ontario, by a Conservative government. I always thought a 61-bed hospital would somehow be viable, to use a free enterprise term. I am awaiting an explanation of this from spokesmen for the Progressive Conservative party or their colleagues in the Ontario provincial government.

One of the results of this bill will be to force hospitals to reduce the number of personnel employed and curtail the number of beds available. This could mean the downgrading of what we all agree are already inadequate services being offered in many instances. The average cost of a hospital bed can range anywhere from $70 to $175 a day, depending on the care a patient needs, and I suspect these figures are on the low side. If there is to be any saving in that direction, and that is the main purpose of this measure, I am not aware of any proposals by the federal government to assist the provinces in augmenting the number of paramedics or other kinds of service—home nursing care, for example—which would reduce what we all know to be the high cost of running hospitals and, consequently, high expenditures by hospitals.

It is sometimes said there are too many people using hospitals and too many people occupying beds they do not need. I do not accept that proposition, but even if it is true, one can hardly blame the people who are in the beds, because patients do not put themselves into hospitals beds—it is doctors who put patients into hospital beds.

An hon. Member: Who makes them sick?

Mr. Benjamin: It could be the Liberals or the Tories.

Mr. Oberle: No. It is the NDP that makes them sick. We are all sick right now.

Mr. Benjamin: If those experts and oracles who operate in the Department of National Health and Welfare, as well as others outside government, who complain that hospital beds are being occupied by people who do not need them really have evidence to support what they say, I suggest they should urge the Minister of National Health and Welfare to take up the matter with medical practitioners.

Mr. Oberle: The minister looks sick now.

An hon. Member: Yes. He is throwing up.

Mr. Benjamin: I do not think he should take it up by way of a bill such as this and lay the onus on the provinces.

Mr. Knowles (Winnipeg North Centre): He shouldn't take it up with a judge, either.

Mr. Benjamin: If the minister had been more thoughtful about hospitalization and medical care, he would have done a lot better if he could have persuaded his cabinet colleagues and his hon. friends in caucus that in a time of restraint, efforts to cut back, and so on, the very last item that should receive that kind of attention is the care available to those who are sick. There are many other areas which could be examined with a view to making cuts in expenditure.

I agree with government members who have derided the official opposition for the attitude it so often takes towards these matters. Members of the party to my right moan about too much government spending, but when one tries to pin them down to what they want to cut back, they don't come up with very much. Well, the Minister of National Health and Welfare could have about $200 million for sharing health costs with the provinces if he could persuade his colleagues in cabinet and in caucus to get out of the nonsense of NORAD, an organization which serves no useful purpose and is totally obsolete. One could go even further and suggest that the minister might try to persuade his colleagues, if not to withdraw totally from NATO at least to bring back to Canada the sitting ducks, the members of the Canadian forces presently in Europe—

An hon. Member: Shame!

Mr. Benjamin: —and give them a mobile capability which would permit them to be used in the proper way in the event of some nut pushing a button in Europe, or be used in a better way in connection with peacekeeping or to aid countries which suffer natural disasters. If this were done, the minister might be able to benefit from the saving of several hundred million dollars more which could be used to provide health, medical and hospital services for the people of Canada.

I will make a further suggestion. Whatever the total expenditure amounts to for the Department of Regional Economic Expansion in the seven years during which I have sat in this chamber, despite all it was supposed to do for the depressed areas of Canada, unemployment and poverty are even worse now—after seven years—than in 1968 and 1969. I suggest we should simply cancel that whole department. I would take some of that money to share with the provinces and compensate for money spent on hospital and medical services. The rest of it could be used at local, regional and provincial levels to combat poverty and unemployment much more efficiently than at present. Mr. Speaker, I think if we follow the three suggestions I have just made we could probably save $500 million or $600 million which the minister could share with the provinces so as to provide something which is a basic right for every human being, that is to say, good health services.

● (1650)

Let me select a few other items. I am not interested in the picayune ones of my hon. friends to my right, such as cancelling Information Canada. Out of a $31 billion budget, $14 million is not very much. The few odds and ends selected by the government make no difference whatsoever. My quarrel is not with how much is being spent but, rather, with how the money is spent and what the government's priorities are. Surely delivery of health services, the availability of hospital treatment and beds and such things as pensions should be the last item of expenditures that the government should attack in order to get maximum benefit out of the taxpayer's dollar.

If this legislation passes we will defeat the objective of another bill we shall be dealing with shortly, Bill C-83. This bill has to do with additional facilities for rehabilitation, psychiatric and psychological care, all of which play a goodly part in the crime prevention program and come under medicare. Quite often psychiatric and psychological services are the most expensive form of health treatment, so it would be logical to assume that this part of the security provisions bill is going to suffer if we pass Bill C-68.

Then I see the doctors are asking for a raise. Poor fellows! Since the government wants to hold down funding, who will have to pick up the deficit? Obviously, the taxpayers, particularly those who are sick, ailing and disabled who make use of medical services. The doctors of Ontario are seeking an 8.1 per cent raise effective May 1. That is within the guidelines. But one thing that the doctors or the administrator of the Anti-Inflation Board fails to tell us is that 8.1 per cent for a doctor earning $70,000, $80,000 or $100,000 represents a very nice increase. Since 8.1 per cent is within the guidelines, I bet my bottom dollar this increase will be approved. The worker, whether organization or unorganized, earning $8,000 or $10,000 a year, will be told—he will be rolled back, if necessary—that 10 per cent or 12 per cent is plenty for him. An increase of $800 is fine for the working stiffs under the guidelines. An increase of $8,000 or $10,000 for a medical doctor under the guidelines is also fine.

The Minister of National Health and Welfare wants to set a ceiling on spending and has served notice on the provinces that sharing by the federal government of the cost of these services has now reached its limit. Manitoba was not consulted about cost-sharing. In fact, that province makes the point that Bill C-68 has been superseded by the anti-inflation legislation and therefore this bill should be withdrawn.

In Saskatchewan, the federal government participates in the cost of hospitalization and medical care. Nevertheless, Saskatchewan is left to bear by itself the $6 million denticare program. The program is in its infancy, we do not have all the kinks out of it yet, but it took almost three years of hard work and planning and co-operation from the

dental profession to get the plan under way and provide dental care for children up to 12 years of age. We hope to increase it by one year each so that eventually children up to 16 or 18 will be covered.

Then there is the Saskatchewan hearing-aid program which put an end to the chicanery and outrageous operations of some of the hearing-aid outlets. This program will now be borne by the people of Saskatchewan alone, through their government, to the tune of another $12 million. I apologize, Mr. Speaker, I am mistaken there. The pharmacare program is costing $12 million. There are so many good programs in Saskatchewan that I am getting my list out of order. All that any citizen of Saskatchewan pays for drugs is the dispensing fee of $2 under the pharmacare program. We are carrying the cost of this program without any sharing on the part of the national government.

The hearing-aid program in Saskatchewan will cost another $600,000 a year, and we estimate the cost will quickly climb to $1 million. In any event, there is upward of $20 million from those three programs that the province of Saskatchewan, historically leading the way for all Canada, is paying for itself and which the federal government should be sharing, not only with Saskatchewan but with all other provinces in this country.

Allowing for a 1.5 per cent increase in population, I say this is unfair to Saskatchewan, with its growing population. People are moving to Saskatchewan from other provinces. One of the principles behind cost-sharing between the federal and provincial governments is that no matter where a Canadian lives, his fundamental right to the best possible hospital and medical care should be available, whether he be living in a poor province, a rich province or a territory.

The Minister of National Health and Welfare says that the provinces should better the health of the people by introducing legislation covering seat-belts, industrial safety, control of alcoholism, drug addiction, and so on. While I invite the Minister of National Health and Welfare to take a look at the program in Saskatchewan, I also speak for the other provinces and programs such as Aware, the programs on alcoholism and drug addiction, and the amount of money that has been spent on these programs through the media, through lectures and meetings and whatever else that province is doing which I expect they are carrying on by themselves.

● (1700)

The minister can urge the provinces to do all these things in order to improve the health condition of the population, but in the meantime, what does he do? He goes on his merry way, defeating everything. Nothing is done about arsenic poisoning in Yellowknife, about mercury poisoning at Grassy Narrows, or about mining accidents. There is the misuse of dangerous gases and other substances that are federal rather than provincial offences. In addition, the minister does not say what the government is doing to enforce stringent measures in respect of many corporations in order to bring them to account. Instead, he tells the provinces to do more about improving the health condition of their populations. There he sits, I suppose counting his money.

Let me return to the situation in the province of Manitoba. That province is unalterably opposed to this bill. The province has not been consulted in respect of cost-sharing. In the spring of 1975 the minister made statements about a review of the cost-sharing formula and negotiations which were to take place. Then, without warning along comes the budget of the previous minister of finance with the notice of intention to withdraw from hospital care and to place limits on the governments' medicare contribution. The provinces, bless their hearts, wanted to have a meeting of ministers in order to find out how the federal government could possibly reconcile the position of the Minister of National Health and Welfare with the position of the former minister of finance.

Mr. Nystrom: It is impossible.

Mr. Benjamin: I guess it is impossible, because no such meeting was called. The deputy minister attempted to call together his provincial counterparts last fall, but the provinces have taken the position that there will be no meeting of staffs until the federal government has explained its position to the ministers. We are still waiting. In fact, Manitoba makes the point that Bill C-68 has now been superseded by the anti-inflation program and that therefore Bill C-68 should be withdrawn. In fact, Manitoba was even surprised that this bill was introduced in the House. In the past, the federal government went around encouraging the provinces to get into health programs, but now when the going gets tough the federal government wants to get out of its share of the responsibility. I repeat, the feeling of Manitoba in respect of Bill C-68 is that it is an insult because of lack of consultation. That province believes it is fatuous and that it is unnecessary because of the so-called anti-inflation program.

I should like now to talk about the province of Saskatchewan. We in that province believe this action by the government is a case of bad faith. The budget and Bill C-68 are an example of bad faith. There has been a lack of bargaining on the part of the federal government. In 1975 the plan was that the federal and provincial governments would come to an agreement concerning the control of doctor and hospital costs. This was the plan until the budget of June 23. The federal government, without consultation, changed the rules.

Because of wage and price controls—or wage controls, which is what we have in effect—the effect of the government's reneging on its contribution to medicare is not as severe in respect of the provincial budgets as it would have been. But what happens when the controls come off? Saskatchewan agrees that, given the federal government's control program, Bill C-68 really is unnecessary. This happens to coincide with the position taken by the province of Manitoba. Why is Bill C-68 being introduced? Has the federal government no faith in it? Saskatchewan doctors, for example, are willing to limit their incomes to conform to the guidelines so long as they are sure that prices will be controlled. Even the doctors are saying they will abide by the controls. In Saskatchewan they are limiting the increase in income to the $2,400 maximum allowed by the controls.

We can imagine how bad it is if even the doctors agree. Since even the doctors are saying they will conform to the

controls as long as prices are controlled, does the federal government really believe it will be completely unable to effectively control prices? That is an answer we have not been able to get. Certainly there have been no results in spite of the statements by the Prime Minister (Mr. Trudeau) over the last few days to the effect that the program is really working. It may be working in respect of incomes, but it certainly is not working in respect of prices.

In September the minister refused to give the province an answer in respect of what new programs would be eligible for cost-sharing. Since September the provinces have received no word from him on this point. There is mention in Bill C-68 of arrangements for federal sharing and contribution in this regard. When will the minister tell us what programs he is prepared to negotiate with the provinces relating to cost-sharing? Saskatchewan would be very interested to know from the minister what the situation is in respect of pharmacare, denticare, hearing-aids and many of the other things that should have been in effect for many years. There are also things such as home nursing, expanded ambulance service and much more that we want to do and which need to be done.

The minister has been having talks with the provincial health and welfare ministers and their staffs. He has told them he favours shifting part of the cost of home care and nursing homes to the health budgets, but he has not said that he is prepared to cost-share such programs. The provinces want to know what is to be shared by the federal government. The provinces are still waiting to hear from the minister.

Even more important than medicare, in terms of money, are hospital and diagnostic services. When will the minister make clear what he has in mind for funding these programs, or does he simply intend to let the five years run out and leave the provinces holding the bag? It will be interesting to hear about this from the minister. At present the federal government participates in substantially less than 50 per cent of health care programs across the country. Of these, it pays approximately 50 per cent. In provinces like Saskatchewan it participates in approximately 60 per cent of all health care programs, leaving the province to pick up all of the cost of programs such as denticare, pharmacare, hearing-aids, and so on.

When new programs are introduced, the federal government often withdraws whatever little support it may be giving in that area. For example, when Saskatchewan brought in its hearing-aid program the federal government withdrew its support in respect of hearing-aids for Indians. Here we have these great humanitarian Liberals who wanted to share in the cost of a program on health care for Canadians taking this position. Talk about Mr. Scrooge at Christmastime! These are nothing but a bunch of cheap, inhumanitarian chisellers. As soon as Saskatchewan brought in the hearing-aid program, the federal government withdrew its support for hearing-aids for native people. Is the Minister of National Health and Welfare so hard up that he has to resort to that kind of two-bit chiselling?

● (1710)

Mr. Knowles (Winnipeg North Centre): Chief Big Chiseller.

[Mr. Benjamin.]

Mr. Benjamin: He does that and says that the province's universal program which it paid for itself could cover Indians as well, and they are a federal responsibility. I have heard proposals from hon. members of the official opposition regarding this business of universality and deterrent fees. In my most friendly and kind way I should like to warn my good friends in the Progressive Conservative party to be very careful about anything their leader or former aspiring leaders say about the implementation of deterrent fees, because I should like to refresh their memories about what happened to a Liberal government in the province of Saskatchewan with regard to the implementation of deterrent fees. Deterrent fees are nothing more than purely and simply a tax on the sick. Politicians are honourable people, and politics is an honourable and worth while profession.

Some hon. Members: Hear, hear!

Mr. Benjamin: However, politicians are not perfect, and I want to remind my hon. friends in the Progressive Conservative party that deterrent fees killed the Liberal party in Saskatchewan. That is one of the major things which killed it. I am trying to be friendly in urging my colleagues to my right that if their present leader or other former aspirants for the leadership open their big mouths about deterrent fees, their colleagues had better step on them quickly.

One of the basic principles of a hospital and medical care program, and all the ancillary services which go with it, is that it is universal. I was saddened and distressed when I read in the leaflets, statements and quotes of the new Leader of the Opposition (Mr. Clark) that he questions the universality provision in social programs. I think that is a direct quote.

Mr. Epp: Are you sure?

Mr. Benjamin: If I am not accurate, I am certainly very close in my paraphrasing. If I am totally inaccurate about that, I am confident some of my colleagues will rise in their place and set me straight, but I think I am very accurate on that. I remind the official opposition and the government that it was during the 1972-74 period when we forced the government to restore universality with regard to family allowances, which is one of the specific items the new leader of the Progressive Conservative party happened to mention in questioning the universality of social programs.

In addition, I remind my hon. friends to the right and across the way that it was the official opposition, the New Democratic Party and the Social Credit party which forced the government to keep universality in family allowances. I just hope there will not be a 180 degree turn by the Progressive Conservative party, because I remind the House that we finished straightening out the Liberal party on that only a couple of years ago.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him has now expired.

Some hon. Members: Let him go on.

Mr. Deputy Speaker: Is there unanimous consent to allow the hon. member to complete his remarks?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I wish to intervene in this debate and express yet another view but one which is similar to those expressed by some of my hon. colleagues who have already spoken, and there have been many. I represent a constituency in one of the "have" provinces. My province is one most of the people from Saskatchewan move to when they get sick and tired of the type of programs the previous speaker was espousing. However, the constituency I represent is of a rural and isolated nature and Bill C-68 affects that kind of area as much as it does the have-not provinces, for example, the maritime provinces about which my colleague from Newfoundland spoke earlier.

The provinces are worried about this bill for the same reasons they were worried in 1968 when they told the then minister that they did not entirely believe the federal government was serious enough to carry on an equal partnership in this arrangement forever. The way the economy was going then, they did not think that the federal government had the resources to carry on this equal partnership or even to embark on it. However, the essential ingredient which finally made the provinces change their minds was the assurance that the federal government would at no point renege on the program and on the responsibilities it entered into.

The provinces were worried for the same reasons they are worried about other schemes of extravagance the Minister of National Health and Welfare (Mr. Lalonde) has been talking about in recent times. The guaranteed income program which the minister wanted to have implemented by July of 1975 is another universal program the responsibility for which must be shared equally by the provinces. But the provinces repeated the arguments they made in 1968, saying that the time was not right to embark on schemes of extravagance without solving some of the other problems inherent in our society.

I begin to wonder when it will ever be possible for the minister again to sit down with the provinces and work out a program of equalization of opportunity in our country. The universality of a program may be in the field of education, health or any other social service. When will the provinces ever be able to sit down with that minister again and have faith in anything he tries to sell them?

An hon. Member: Never.

Mr. Oberle: It is terribly important that we have some form of co-operative federalism in this modern day and age. The very diversified regions of our country have moved closer together through better transportation facilities and better communications systems. It is important that opportunities are equal, wages are equal and incomes are equal in various regions and, indeed, that social services and quality of life are equal in all parts of our country. It is for this reason that the federal government has to assume an ever greater role in providing and managing some of these services in the fields of health care and social administration, socioeconomic development and education.

● (1720)

That is why it is so important for the federal government to develop a much better relationship with the provinces and a much better trust between it and the provincial governments so that these services can be spread equally across the country. However, it is important that the "have" provinces continue to share their wealth with those that are deprived of some of the fortunes of natural resources and benefits of our heritage.

Mr. Speaker, the government has decided that in the first year the program will have a 13½ per cent ceiling on increases, and the following year a 10½ per cent ceiling. The anti-inflation program, however, wants to hold cost increases to 10 per cent this year and reduce them to 8 per cent or less the following year. This indicates to people who will be affected by this bill that the government does not have faith in its anti-inflation program. The government is doing what it has always done, that is, telling people in business and labour, "Do as we say, not as we do." Obviously the government is showing no intention of living by its own anti-inflation program nor to insist that the provinces do so.

I have had arguments with the Minister of Finance (Mr. MacDonald) about increases in rates and fees that have affected the cost of living of many Canadians due to certain actions taken by provincial Crown corporations. When the minister sold us the anti-inflation program he said that Crown corporations, since they are affected differently by the Income Tax Act and other government services, would have to live by the federal anti-inflation program and that the federal Anti-Inflation Board would have jurisdiction over them. That is not the intention of the government now, however; it seems it does not intend to insist that government agencies or Crown corporations be tied to the guidelines of the anti-inflation program. This is a very significant point, and my colleagues in this House should think about it. They continue to tell Canadians, "Do as we say, not as we do." We are no better than other Canadians, Mr. Speaker. They should not worry about increasing our own benefits and services by 16 per cent or 20 per cent; after all, we are doing it for the good of society, and the rest will have to look after themselves!

The other thing that worries me about the minister's decision to place ceilings on these programs, without consultation with the provinces, is what comes next? After the third year, will the minister take the same step that the then minister of finance took on June 23 when he announced that yet another program which participated in the hospital insurance program would be phased out over five years? That is what the provinces are afraid of and it is what they are expecting.

All my colleagues who have spoken in this House—and, indeed every Canadian—agree that costs have risen at a rate which is not acceptable in light of the reserves and resources available to feed these programs. No one would argue that we do not need better social services in the future. It is not right that a province like Saskatchewan should have a dental care program, or a union should have achieved a program of some form of health or dental care

that is not available to all Canadians. What we are establishing is a system of class distinction, Mr. Speaker, a system of inequality. Equality, after all, has to be the basis of these programs. It is the responsibility of the federal government to make sure that whatever benefits are derived from the gross national product and the sale of our resources are distributed in a manner more in tune with the needs of the various regions.

What has the federal government offered or done to earn the respect of the provinces and slow down the increase in or halt the inflationary cycle? Has it met with the provinces? Has there been any consultation, any offer to share a lower cost program? I should like to refer to the program of intermediate care facilities. My colleagues and I have spoken about this before and have asked the minister to offer the provinces a 50 per cent program to establish a system of intermediate care facilities. One of the minister's officials wrote to me and said that as early as May, 1973, the federal government was having discussions with the provinces about the establishment of such a program. Certainly the provinces would like an intermediate care program. It would relieve the shortage of acute beds in hospitals and would cut the cost of patient care in nursing homes or under a home care program by 75 per cent.

It is argued that 40 per cent of patients occupying acute hospital beds should live in some other environment. We have some intermediate care facilities for senior citizens. They are known as chronic care hospitals, institutions where a patient might occupy an acute bed for five or six years and then is sent to a chronic care facility to live out his last days.

During the election campaign in 1972 I visited some of these chronic care hospitals and talked to patients. It was a rural area, a deprived area but rich in human resources. I remember a little old lady who told me that she had lived with her husband in the city of Prince George all her life. They had run a business and brought up five children. The children moved away and she and her husband, then in their mid-seventies, were living in the old folks' home. The husband contracted a terminal illness, and there was no bed for him in the acute hospital so it was decided to move him into one of these chronic care facilities.

● (1730)

There was then no such facility in Prince George. It was decided that this poor old man would be moved either 200 miles north or 350 miles south to a chronic care facility. He had no option but to go. He chose the southern location, Penticton, British Columbia. But in Penticton there was no provision in the chronic care hospital for his wife to be with him. Can you imagine that? This poor old man was moved to Penticton but his wife had to stay in Prince George, where she still lives, her husband having passed on. She came to me and said, "Mr. Oberle, for the past two months I have been crying myself to sleep. My husband, too, is crying himself to sleep every night." Indeed I, too, find it hard to fight back my emotions when I describe this barbaric way of implementing a health care program in our country.

Can the minister say why it has not been possible to establish, with the co-operation of the provinces, a program of intermediate care, a program to serve people who do not require acute care hospital beds or the attendance of a doctor every morning and afternoon? Why has this not been done?

[Mr. Oberle.]

Mr. Lalonde: The question was answered in my speech.

Mr. Oberle: Mr. Speaker, the minister's speech did not impress me. He tried to put the blame on the provinces and said in so many words that health care is a provincial responsibility. The provinces cannot trust the minister. He says one thing one day and another the next. The government said one thing in 1968 and another four years later. The same can be said of other programs in which the provinces have participated with the federal government. The provinces are afraid that the federal government will force them to participate in other programs and will then get out of the picture. No, the answer is not in the minister's speech. It does not explain the lack of intermediate care facilities. The minister must re-establish the confidence of the provinces, a confidence which has been eroded in recent times, particularly since the minister assumed responsibility for this portfolio.

Mr. Lalonde: Of course, you are laughing when you say that.

Mr. Baker (Grenville-Carleton): The provinces are not laughing, according to what I hear.

Mr. Oberle: The federal government, using the resources at its disposal, has taken upon itself to meddle in all aspects of our national life. The Minister of Finance is right in saying that the government does not control all expenditures included in the estimates. Some expenditures represent transfer payments to provinces. At one time such payments were transferred differently. This government considers itself as the major tool for distributing all benefits, all the wealth in this country. Everyone is to pay money into the central coffer and the government is to pay it out to the different areas of this country according to its own priorities.

We are not overly enthusiastic about the government's priorities. We do not much like the manner in which much of our money is spent. It occurs to me that, having established the medicare program which is now functioning well, the government will implement another program in which it will try to involve the provinces. I am thinking about the guaranteed income. I serve notice on the minister that the provinces will not go along with his schemes unless there are much stronger guarantees that the federal government will not pull out. The provinces are unwilling to participate with the government in programs involving so-called cost-sharing. Some day, when we can afford the guaranteed annual income, the minister may be surprised because the provinces will not run after him like little boys, eager to sign on the dotted line, unless there are better assurances that the federal-provincial partnership will last longer than in the case of medicare. The minister had better consider taking up faith healing.

Mr. Lalonde: Is that a branch of medicine?

Mr. Oberle: He had better heal the faith of the provinces in the federal government. Right now they lack faith. He had better consider how to re-establish the sort of co-oper-

ation federalism which the Prime Minister (Mr. Trudeau) says is necessary if this country is to compete with the world's advanced industrialized nations. I remind the minister that other nations have established programs well attuned to meeting the needs of their peoples, and we can learn from them.

I plead with the minister to reconsider this bill or, at worst, to accept the hon. member's motion and delay second reading for six months. In those six months he could consult the provinces and say, "Look, this time I will tell you the truth." That's the Prime Minister's favourite trick. When something goes wrong, he says, "Well, last time we tried it, the anti-inflation program did not work. This time, it will." Perhaps the minister could approach the provinces and say, "Look, fellows, this time we will tell you the truth for a change. Let's get together." In the next six months the minister could examine the entire program and consider alternate ways of reducing the high cost of medicare. It might be possible to reduce costs by more than 13 per cent. He could work out an agreement with the provinces whereby nursing and intermediate care facilities would be available for those in acute, active treatment beds and perhaps save a good portion of the cost. The minister would have breathing space, and the reduced cost of the program would eliminate the need for expensive hospital construction.

We need improved facilities for native peoples. In the broad picture, we must consider the needs of native people who live in subhuman conditions in the bush. Sometimes a native child enters hospital with a common cold or minor illness. Doctors are reluctant to release such children from hospital until they are fully satisfied there will be no recurrence of the illness or that there is not some more serious, underlying sickness which has been caused by the child's home environment which, more often than not, does not meet acceptable standards. We need more intermediate care and nursing home facilities adjacent to reservations and in northern communities to serve both white people and native peoples, who often live in subhuman conditions. Or, if the nurse could visit a patient at his home, his $200 a day hospital bed would be available for others. The doctor would not have to make daily visits and bill the minister for them.

These are serious proposals. They have not only been discussed and studied by members of this House but by municipal, regional and provincial governments. If the minister were really serious, he would not have had to expose himself to the extent he did in allowing the trust that was once the essence of federalism in Canada to deteriorate further than it has in the past few years as a result of some of these unilateral opting out exercises in which the federal government has been engaged.

● (1740)

There is still time. Let us hoist this bill for six months so that we can get together and seriously talk about this problem. I assure the minister he will end up with a result of which he will be proud and delighted. It would be much less than 13½ per cent or 10 per cent. I ask the minister to take this matter seriously. Give us a chance to sit down and find a solution to this very serious problem that is more attuned to the needs of our time.

Medical Care Act

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I do not want to say I am reluctant to enter this debate at this time. I have as much interest in medicare as anyone in this House. I had intended to leave the discussion of this bill to my colleagues who have more knowledge and expertise in medical matters. There have been some excellent presentations on the substance of Bill C-68 and the amendment. A number of sound proposals have been made which would make this legislation more meaningful and pertinent to the concept of medicare. I have, however, been dragged into this debate because of what this bill is doing to the people in my constituency, and to the federal minister, allowing that some provincial decisions have been made. The people in my area will be adversely affected in the future if this bill passes in its present form.

Although this bill has been stripped bare by other members of the House, my colleagues in particular, and has been exposed for what it is, a cop-out on the part of the federal government, we have not seen any sign that the government is prepared to withdraw the bill, or greatly alter it, at least until after consultations have been held with the affected provinces.

As some members have already pointed out, Ontario entered the federal medical scheme with a great deal of reluctance and even some apprehension. Our provincial government was not under any illusions as to the advisability of entering into a federal program of this nature. We knew at the outset that the provincial medical care program was superior to the federal program that we were asked to join. We also knew what we were dealing with in this case. There was no way we could be sure that the federal government would honour this agreement. We, like the other provinces, knew that this government's record of keeping its word was hardly conducive to placing very much faith in this particular federal-provincial agreement. In short, Mr. Speaker, we were conned into joining the federal program, and now we see in Bill C-68 the first step in the federal government's plan to opt out of a program of which it was the chief architect.

Back in 1966 when he was minister of national health and welfare, the Secretary of State for External Affairs (Mr. MacEachen) said health is not a privilege tied to the state of one's bank account but, rather, a basic right which should be open to all. The minister would have been closer to the point if he had said that health care, not health, is the basic right of all citizens. Much as we would like, no government can guarantee good health to any of its citizens, but certainly we can guarantee good health care to all our citizens, and in plain fact we cannot do any less than that.

The conviction that universal medical and hospital care is the right of all citizens, regardless of their financial capability, was the basis of the medicare system that we had in Ontario when the federal government came along in 1969 and forced us to join what was touted to be a better system. We know now that it was not a better system then, and we know that it is not a better system now, but we entered into the federal medicare program in good faith and it is not we who are reneging.

As far back as 1968, Mr. Speaker, the treasurer of Ontario asked, when discussions were taking place between federal and provincial officials on the joint medicare plan, what

guarantee we had that the federal government would not cut us loose if it decided that it wanted out of the program. Well, we have found out what guarantees we had. We had the government's word, and we all know just how much this government's word is worth. Betting that this government will keep its word is the best way I know of losing your money.

One effect of this bill is to force the government of Ontario to make a complete assessment of the provincial medicare and hospital insurance programs. In one way this is a good thing, because over the years it is inevitable that a certain amount of fat and duplication will develop in even the most efficiently administered programs. However, the hospital closing program now under way in Ontario has hit my riding. It is getting too close to home for my comfort, because my constituents are up in arms over the closings, especially the closing of the hospital at Clinton. I have a call in right now for a conference with the premier and provincial minister of hospital services. I hope to be able to convince them that the closing of the Clinton hospital should be reviewed and, hopefully, reversed.

My constituents are just as angry with the federal government, though, because they are beginning to realize that the government of Ontario is being forced into this move by the announced intention of the federal government to squirm out of the federal-provincial medicare program. I cannot blame my people for getting up in arms over this matter, Mr. Speaker. In recent years I cannot remember a single issue that has aroused as much public indignation and public hostility in my riding as the announcement that Clinton hospital would be closed. My file of letters on the Clinton closing, letters from concerned citizens as well as from those whose jobs will be eliminated by the closing, is growing each day and I suspect that it is only the beginning. As the date for the closing gets closer, I can foresee a concerned public effort to head off this threat to the well-being of the people of Huron county.

The program of hospital closings in Ontario was predicted long ago, even before Ontario was drawn into the federal government's ill-starred medicare and hospital insurance programs. Many people at that time expressed doubts about entering into a cost-sharing agreement of this type with the federal government. We were warned of the possibility that the government would some day decide to back out of the agreement and turn the provinces loose as if to say that this is the way things are done. We know that this is the way the present government does things, but we also know that it is not the right way.

I now wish to turn to some of the attributes of the Clinton hospital and some of the methods used by the provincial government. In a meeting with the hospital board on Thursday, February 19, Mr. Miller, the provincial minister of health, stated that the basis for closing the Clinton public hospital was, one, it was comparable to one other hospital and, two, geographically it was central in Huron county and that users of the hospital could go to other hospitals for service.

● (1750)

We strongly protest that stated rationale for closing the Clinton public hospital. The minister seemed to use the word "comparable" to mean equal, on a par, similar, or having the same facilities. We cannot conceive how the ministry, in using the data available, could possibly conclude that the Clinton public hospital is, by any of the above definitions, "comparable" with the hospital named, let alone with others in Huron county.

Statistically, in terms of average cost per patient day, average cost per patient stay, wages paid, length of stay, per cent of occupancy and paid hours per patient day, we believe that the Clinton public hospital compares very favourably with the other hospitals in Huron county. We believe the ministry also has data to indicate that the degree of activity in surgery, pediatrics, obstetrics, laboratory, radiology, physiotheraphy and emergency service is in no way less than the two smaller hospitals in Huron county and probably equal to the larger hospitals in Huron county. From a medical staff brief, the minister ought to be aware of the fact that Clinton public hospital has quite a few services that many other hospitals have; for example, coronary care, surgery, and dialysis.

Has the minister examined the age population of the patients in the Huron county hospitals for 1975? No fewer than 32.9 per cent of the patients in Clinton public hospital are from 15 to 44 years of age. Only 22 per cent are 65 years of age or over, and 23.1 per cent are 45 to 65 years of age. Clinton public hospital is not an under-active hospital. We submit that Clinton public hospital is comparable in that it is providing more services than most community hospitals, for less cost and equally efficiently to all our citizens, especially to those with years of productivity ahead of them. We do agree with financial restraints, better management and best use of health dollar, but we cannot comprehend the logic of a ministy that proposes to cut costs in health care by choosing to eliminate the hospital that seems to us to be giving the people excellent use of the health dollar.

The minister's second argument is one of geography. He reasons that the users of Clinton public hospital would go to the other hospitals of Huron county. We know that at present these surrounding hospitals have been told by the ministry of health that there is to be no increase in inpatient activity. How, then, can Clinton patients go to the surrounding hospitals to be serviced if they are not allowed to increase their service? How can one go to a facility for a particular service if that facility does not have the staff nor equipment for that particular service? Is the minister expecting that one or each of the four remaining hospitals will obtain the staff and equipment from Clinton public hospital for these services? There have been no plans for such moves. The minister has not indicated that there will be funds for this but, rather, has indicated that the surrounding hospitals will have considerable restraints imposed on them. Is the minister assuming that Clinton public hospital's equipment and staff will be graciously given to the surrounding hospitals, remembering that it was the citizens of the community who raised the funds for this equipment?

How long will it take for these services to be available in other facilities and for staff to be trained in their use? It has taken years to develop coronary care, just to name one service. It cannot but take months or years for these same services to once more become available to citizens of

Huron county. We wonder if they really will become available in our present time of restraints. Will other hospitals place these services on top priority if they involve additional costs? How can they hire Clinton nursing staff to provide the nursing care for these services if they already have sufficient staff but are limited in funds to hire, train or develop?

Has the minister examined the referral system in this county and seen that patients, if referred, usually go to London rather than to other hospitals, or that they come to Clinton for service? They do not go from Clinton to other local hospitals because the service and the care is not the same. Is the minister assuming that the feelings and patterns of people in the district about the surrounding hospitals are going to change so that they will go to the doctors using these hospitals, even if Clinton doctors' privileges are granted elsewhere, and be content with the services they provide, when you deny them the hospital, staff and service they have built and developed?

If the minister's argument really is on the basis of geography, then he ought to recognize that persons in the outlying areas of Huron county could, and do, more readily come to Clinton than travel across country to these outlying areas. It is for this very reason that Clinton public hospital has in the past few years continued to improve service rather than stagnate, and has provided increased service at reasonable cost.

If people have to travel across-country for service, for example, from Clinton to Exeter or from Clinton to Seaforth, they might just as well go a little bit farther on to London or Stratford, where comparable services are found. But these latter areas are to have restraints imposed upon them as well. These facilities also cost more. Where, then, is the dollar saving? Clinton is now providing the needed services at far less cost per day. How can the minister justify deleting this facility if the alternatives he proposes cost more?

Mr. Guay (St. Boniface): This is all provincial.

Mr. McKinley: I take off at anyone I think is doing wrong.

Mr. Guay (St. Boniface): Hear, hear!

Mr. McKinley: We submit that by closing Clinton public hospital the minister is promoting a decrease in service to citizens of Huron county. By not planning for alternatives or ways to maintain these services he is abdicating his responsibility to provide service and the best use of the health dollar to the people of Huron county. At the same time he prohibits the citizens of Clinton area from contributing toward making the best use of their health dollar by closing their hospital—not on the grounds of inefficiency, mismanagement, overstaffing, lack of service, but on the grounds of geography.

The minister has a responsibility to prove to us that we are mismanaging and deserve to be closed, and that other hospitals are not mismanaging and deserve to be left open. But the ministry has not, neither privately nor publicly, stated this. We also submit that the minister has little considered the economic impact that this closure, the second in Huron county, will have on the people in this community. The minister has forced this upon us, yet has made little provision for the community to retain these employed citizens or to relocate elsewhere in this province where needed.

An hon. Member: Six o'clock.

Mr. McKinley: I shall just be one more minute, Mr. Speaker. Nobody desires to go on unemployment to impose an extra drain on our coffers, yet this is what many will be forced to do. This is unfair financially and morally. The minister has stated that the people of Huron county should provide alternatives to the closure of Clinton public hospital between now and the date of an appeal. Yet he is well aware that at present there is no district health council to present such a proposal that is acceptable to all of Huron county. In order to remain, the minister has stated that our only apparent recourse is to prove that we are better and that other facilities should go rather than Clinton public hospital. By so doing, Clinton would be forced to become a villain in the eyes of the public and our colleagues in health care.

The citizens of Clinton community are very loth to declare that other facilities in Huron county are inferior to theirs. It is insufferable that in this day and age the government should indicate to us that this is the tactic we must adopt in order to survive and provide what we believe is quality service to the people of Huron county.

I have one suggestion to make to the minister. Instead of closing down hospitals like Clinton completely, I believe sufficient money could be saved, without a shocking decrease in the availability of health care, by cutting back some beds in all hospitals or by charging a user fee or initial fee to those using hospital and doctor care. I hope the provincial government will reconsider its decision to close the Clinton hospital, and I reiterate my willingness to attend a meeting with the Premier of Ontario and Mr. Miller, if it can be arranged.

Mr. Deputy Speaker: Is the hon. member for Yorkton-Melville (Mr. Nystrom) rising on a point of order?

Mr. Nystrom: I was going to call it six o'clock, Mr. Speaker.

Mr. Deputy Speaker: It is already past six o'clock. This House stands adjourned until tomorrow at 2 p.m.

At 6.01 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 4, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

FISHERIES

PROPOSED COMMITTEE STUDY OF FISHERIES MANAGEMENT POLICY—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to move a motion under the provisions of Standing Order 43 on a matter that is quite urgent and pressing. The application of a retroactive quota on red fish or ocean perch, as announced by the minister will seriously affect the economy of Atlantic Canada.

The continued restrictions being directed at Canadian fishermen, while foreigners are still permitted to phase out their operations, requires a thorough investigation of fisheries management. I therefore move, seconded by the hon. member for South Shore (Mr. Crouse):

That this House orders that the matter be referred to the Standing Committee on Fisheries and Forestry and that the minister appear before the committee to explain his policy on fisheries management as it applies to the Canadian fishing industry.

Mr. Speaker: Pursuant to Standing Order 43 such a motion can only be presented with the unanimous consent of the House.

Some hon. Members: No.

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ADMINISTRATION OF JUSTICE

REQUEST FOR TABLING OF REPORT OF CHIEF JUSTICE OF QUEBEC CONCERNING ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I, too, rise under the provisions of Standing Order 43 and if I could get the government's attention I would hope the motion I move will not elicit the automatic "no" that comes from the government side.

Given the refusal yesterday by the government to establish a public inquiry into the serious allegations made by Judge Mackay, and assuming that the government does not change its mind later today on the need for a public inquiry, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instructs the government to make publicly available its terms of reference to the Chief Justice of Quebec and also to make publicly available the written report submitted by the Chief Justice of Quebec concerning these important allegations.

Mr. Speaker: Pursuant to Standing Order 43 the motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

* * *

[*Translation*]

MANPOWER

POSSIBILITY OF ANNOUNCEMENT OF EMPLOYMENT POLICY FOR YOUNG PEOPLE—MOTION UNDER S.O. 43

Mr. André Fortin (Lotbinière): Mr. Speaker, pursuant to Standing Order 43, I ask the unanimous consent of the House to present a motion dealing with an important matter of pressing necessity.

Considering the startling increase in unemployment, especially in Quebec, considering also that such unemployment affects more particularly the young people in spite of their education, and that according to the latest statistics over 424,160 unemployed were less than 34 years of age, I move, seconded by the hon. member for Kamouraska (Mr. Dionne):

That at his earliest convenience the Minister of Manpower and Immigration (Mr. Andras) state to the House the intentions of his department concerning any job producing program or any other step to assist young Canadians willing to work in Canada.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

* * *

[*English*]

INDIAN AFFAIRS

PROPOSED SUPPORT FOR CELEBRATION OF ONE HUNDREDTH ANNIVERSARY OF SIGNING OF TREATY NO. 6—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that 1976 is the 100th anniversary of the signing of Treaty No. 6, and in view of the historic nature of Indian treaties and the fact that the various treaties are the basis of native relationships with the federal government and the Crown, I move,

seconded by the hon. member for Lambton-Kent (Mr. Holmes):

That the federal government lend its full support to the native people in order that their planned celebrations will be such that the Canadian people will appreciate more fully the importance of these historic treaties.

Mr. Speaker: Pursuant to Standing Order 43 the motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: No.

* * *

● (1410)

HOUSE OF COMMONS

BIRTHDAY GREETINGS TO MR. SPEAKER

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise under the provisions of Standing Order 43 to present a motion of urgent and pressing necessity. Number 43 has special significance today, this day being your forty-third birthday.

Some hon. Members: Hear, hear!

Mr. Yewchuk: I move, seconded by the hon. member for Medicine Hat (Mr. Hargrave):

That this House wishes you a Happy Birthday.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, pursuant to the provisions of Standing Order 43, I wish to move a motion of exceptional urgency.

I would like to support the hon. member who has just resumed his seat and wish you Happy Birthday. At the same time, that reminds me of a song that we often sing on occasions such as this one. I am sure I speak on behalf of all hon. members in this House by moving:

That your life be filled with success and happiness, peace and joy.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, just to show that we are unanimous, I wish to make it clear that if the other hon. members had not presented their standing order 43 motions, I would have done so, to wish you the very best on your birthday number 43.

Some hon. Members: Hear, hear!

Mr. Speaker: I cannot resist saying that it is a sufficient crisis to encounter one's forty-third birthday. I hoped to keep the connection between Standing Order 43 and my age on this birthday secret. Obviously, I have not done very well. I am grateful for the sentiments expressed; thank you.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

ADMINISTRATION OF JUSTICE

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REQUEST FOR PUBLIC INQUIRY

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I want to direct my question to the Prime Minister. While the chief justice of Quebec may be responsible for the management of some courts, the Prime Minister must accept responsibility for the management and impropriety of this government. In this light I ask the Prime Minister whether, in view of the serious admissions made yesterday by certain of his ministers, including, particularly, the admission of intervention by the Minister of Public Works, the Prime Minister is now prepared on reconsideration to appoint an independent commission, to conduct the kind of full, open inquiry which these admissions of ministerial intervention make necessary?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I agree, of course, with the premise to the question, as stated by the Leader of the Opposition. I explained to the House yesterday the basis of my decision. I shall repeat it briefly. It was that, in the case of two ministers, Mr. Speaker, their alleged intervention was directed toward judges who have not, to my knowledge, complained about it. I have the statement of my ministers, made publicly here, that they in no way tried to influence the judge. I take their word. Of course, I am prepared to hear the other side of the question. I think it is proper for the chief justice of the Superior Court of Quebec who is entrusted with the administration of these courts to hear the views of the two judges who, to our knowledge, did not complain. Therefore, until they complain we are faced with the word of honourable gentlemen here who say that they did not interfere nor in any way try to influence judgments.

In the third case, which had to do with my then first secretary, the judge in question, Justice Mackay, is the one who is stating that there was an attempt to influence. I have the word of the minister that he in no way did that, that the limit of his talk with Justice Mackay was to ask when the judgment would be rendered. I have looked into the circumstances under which this was requested. I find it a perfectly legitimate intervention in those circumstances.

Some hon. Members: Hear, hear!

Mr. Trudeau: I say this only after some thought, Mr. Speaker, because I realize that it does not appear prima facie good when somebody talks to a judge. However, the House knows the circumstances of this. We had a friendly government saying that there might be riots as a result of a sentence. They wanted to know when the sentence would come down so that they could prepare to meet such riots, if they happened. I think it is perfectly justifiable in such circumstances to elicit that information.

Some hon. Members: Hear, hear!

Mr. Trudeau: Here again, I repeat what I said to the House yesterday. It is possible that the Chief Justice entrusted with the administration of those courts would have

another version after hearing from his judges about something that happened seven years ago and which had not caused any grievance since then. I am prepared to hear the other side of it and then I will judge—we will judge as a government.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): "I will judge."

Mr. Trudeau: Mr. Speaker, obviously I have to judge. I am being asked if I will grant an inquiry. If members opposite do not want me to make a judgment on that, they should not ask me the question.

Some hon. Members: Hear, hear!

PRIME MINISTER'S VIEW ON SEPARATION OF POWERS BETWEEN JUDICIARY AND LEGISLATURE

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, what is at issue here is that contact was made, admitted contact by ministers and representatives of the government of Canada, with judges of courts in Quebec concerning cases then before those courts. In light of that fact, does the Prime Minister accept as a matter of very basic principle the traditional doctrine of absolute separation between his ministers and the courts or does he instead take the position that his ministers and their aides have a right to intervene—and that is the word deliberately used yesterday by the Minister of Public Works—with judges and with courts regarding questions that are before the courts? Does he accept that there should be, as a matter of fundamental principle, a separation between the political cabinet and the courts of the land, such as has been broken in this case?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as a discussion of theory—

Some hon. Members: Oh, oh!

Mr. Trudeau: I see that members opposite are not very interested in theory. If they are interested in this particular case, Mr. Speaker, my answer still stands.

Mr. Clark: Mr. Speaker, this unfortunate kind of stonewalling on the question of a public inquiry has marked the life of this government.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Clark: I again make direct reference to the statement yesterday by the Minister of Public Works and his use of the word "intervention". I want to refer the Prime Minister to the language used by the Minister of Public Works who said his intervention was for the purpose of seeing that the judge was in possession of full knowledge of the facts and did his duty. My question to the Prime Minister is this—I am not asking a question of theory but one of direct, immediate fact—

● (1420)

Some hon. Members: Question!

Mr. Clark: Does the Prime Minister intend to continue to tolerate that kind of intervention of ministers in the conduct of the courts of Canada?

Mr. Trudeau: I think it was established during the question and answer period yesterday that there was no attempt by anyone to influence the court. Obviously, Justice Mackay does not share this view. But Justice Aronovitch does not agree with Justice Mackay, because Justice Aronovitch, who was brought into the issue by Justice Mackay, has said clearly there was no attempt to interfere.

An hon. Member: In one case.

Mr. Trudeau: Therefore, when we have one judge, Justice Mackay, on hearsay, contradicting what the judge who was supposed to have been interfered with is saying, there is obviously something wrong there.

Some hon. Members: Hear, hear!

Mr. Trudeau: Here are two judges who are contradicting themselves, one who is talking from hearsay and who was blaming our ministers, and the other who is talking from personal knowledge. In such circumstances I think we are justified in asking the Chief Justice of the Superior Court to look into this matter to see which of the judges is telling the truth.

Mr. Clark: Mr. Speaker, we in this House do not have the opportunity to question the Chief Justice of the Quebec Court. What I am asking the Prime Minister relates to the statement made yesterday in this House by the Minister of Public Works, a statement from which he has just attempted to divert attention. I am asking whether he accepts as a matter of continuing practice the intervention by ministers of his cabinet in cases which are before the courts. The Prime Minister is the man to whom that question should be put. We do not want the matter shunted off to the courts of Quebec. We want to know whether, if he refuses an inquiry, the right hon. gentleman will allow this kind of practice to continue.

Some hon. Members: Hear, hear!

Mr. Woolliams: I am sorry the Prime Minister did not want to answer that question.

Some hon. Members: Oh, oh!

Mr. Hees: Three o'clock!

Mr. Woolliams: I see, Mr. Speaker, that he refuses again to answer.

Mr. Speaker: Order. The last question by the Leader of the Opposition was clearly a repetition of his previous question.

Oral Questions

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—TYPE OF INTERVENTION REQUESTED BY MINISTER OF CONSUMER AND CORPORATE AFFAIRS

Mr. Eldon M. Woolliams (Calgary North): I should like to put this question, then, to the Prime Minister. While the Minister of Public Works seems to think his conversations with the Minister of Consumer and Corporate Affairs are privileged and believes he has the right to dictate the duties of judges, I assume the Prime Minister believes we have the right to know what happens, and knows what happened, as alleged by Mr. Justice Mackay, did the Minister of Consumer and Corporate Affairs ask the Minister of Public Works and the Minister of Finance to intervene on his behalf, and what kind of intervention did he want?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the preamble to the question is just as misleading as the hon. member's attempt to represent the situation.

Mr. Woolliams: A final supplementary question, Mr. Speaker. I see the Prime Minister is up to his usual tricks; he is trying to work another snow job on the House of Commons.

Some hon. Members: Hear, hear!

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—PRIME MINISTER'S KNOWLEDGE OF INTERVENTION BY MINISTER OF PUBLIC WORKS

Mr. Eldon M. Woolliams (Calgary North): Yesterday the Minister of Public Works admitted to the House that he had contacted the associate chief justice with regard to the contempt of court proceeding in a way that can only be described as irresponsible interference. Did the Minister of Public Works advise the Prime Minister of his intention, and did he report to the Prime Minister on the conversation at any time before the story broke in the press on Tuesday with reference to the matter that is now before the House in this question period?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, again I do not admit the preamble to the question which already prejudges the issue which I think the chief justice has something to do with. I do not admit it is irresponsible, but I am prepared to listen to objective argument on the matter. As for the question itself, the answer is no.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—PRIME MINISTER'S VIEW OF NEED FOR PUBLIC INQUIRY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. While no one will dispute the appropriateness of the Prime Minister making general inquiries and looking into two sides of an issue as a general proposition when his own ministers or government are not involved as one of the two parties, and he does this before he reaches a decision about whether a public inquiry is needed or not, does the Prime Minister not see that the present circumstance is in fact fundamentally different from that in the sense that his own ministers are involved, being one of the parties in question, and also that the judge who is involved, the chief justice of the Superior Court of Quebec, has already reprimanded a junior judge who is centrally involved in the case as well. Does not the Prime Minister see that this circumstance makes it absolutely essential that we have a public inquiry now so that he absolves himself from making the decision about the appropriateness or not either of ministers' actions or the judge's actions?

[Mr. Speaker.]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if I may attempt in my answer to refer to the theory of separation of powers, as expounded by the Leader of the Opposition and upon which hon. members did not want me to comment, may I simply state at this stage that if the theory of separation of powers makes any sense at all we should ask the courts to look into this matter and not attempt to run the courts for them.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, the Prime Minister is running roughly 12 minutes behind time, so would he now answer my question?

Some hon. Members: Hear, hear!

Mr. Broadbent: He did the same thing with the Leader of the Opposition and when he gets to the Social Credit party it will be too late. Let me ask the Prime Minister this most serious question. Since his own ministers are involved, is he not putting himself in a conflict of interest position in passing judgment about the need for a public inquiry after he gets the report, presumably filtered through the Minister of Justice?

Mr. Trudeau: Mr. Speaker, I am sorry that the Leader of the New Democratic Party did not understand that my reference to the separation of powers was in answer to his question, not a comment on the question of the Leader of the Opposition. The hon. member is asking parliament, the legislative branch, to inquire into the judicial branch.

Mr. Clark: Not at all.

Mr. Paproski: Stop playing games.

Mr. Trudeau: Let the judicial branch decide whether any wrongdoing has been done to them. If it has, it will have been done by us presumably, unless they have done it to themselves; but that is what we would like the chief justice to ascertain.

● (1430)

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REQUEST FOR PUBLICATION OF REPORT OF CHIEF JUSTICE OF QUEBEC

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I know the Prime Minister has always had difficulty seeing when a conflict of interest principle was involved, but I am sure it is abundantly clear today. Does he not see that he is telling the people of Canada he will make the decision about whether or not a public inquiry is needed and, if so, he is basing it on a report to which we do not have access or in respect of which we do not even know the terms of reference made to the judge. The whole thing from the public point of view is totally obscure and there-

fore clouded with suspicion which will inevitably remain even if the Prime Minister in all his known modesty concludes that the people are innocent. I see him shake his head. I should like to ask if he would not at least make the terms of reference to the Chief Justice of the Superior Court public, what specific request the Minister of Justice made to the Chief Justice and, secondly, will he ensure that the public will have access to a written report from the Chief Justice when he looks into this situation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will defer to the Minister of Justice whose officials I believe communicated with the Chief Justice of the Superior Court, but consistent with my earlier answer I am not trying to be a judge in this particular case. I am trying to ascertain for the satisfaction of the opposition and ourselves whether or not the courts feel aggrieved. I do not take the hon. member's word for that. I would like to know if the court feels aggrieved?

An hon. Member: One judge does.

Mr. Trudeau: I would suggest it would be in the interest of all in this House, including ourselves, that the estimation by the courts be made public. I think I would have to leave it to the Chief Justice himself to say whether what he says will be made public but I state that the government certainly would have no objection to it; but we are respectful of the separation of the Powers and I think the court should make the decision on that.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

INDUSTRY

DATE OF ANNOUNCEMENT OF NEW TEXTILES POLICY TO PROTECT EMPLOYMENT AND DOMESTIC MARKET

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to put a question to the Prime Minister.

Since the Quebec textile industry is now experiencing serious problems due in part to the increase in goods imported from various foreign countries and to the fact that the federal government textile policy of 1970 has not reached its goal on account of foreign competition, could the Prime Minister tell the House whether he intends to introduce a new policy to ensure greater protection for employment and the Canadian market, especially the Quebec market?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, this policy is now under review by the Textile and Clothing Board and a report will be tabled soon.

[*English*]

ADMINISTRATION OF JUSTICE

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REFERENCE TO PRESIDENT OF TREASURY BOARD

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Minister of Justice. Apart altogether from the novel, precedent-shattering and dangerous principles just enunciated by the Prime Minister, may I indicate that there are at least two justices who feel aggrieved at the moment because apparently yesterday Judge Aronovich stated that, although he did not feel the President of the Treasury Board's call to him constituted an interference in the judiciary, nevertheless it was improper. For the benefit of the Minister of Justice may I quote the actual words.

Mr. Speaker: Order; if the hon. member has a question would he put it?

Mr. Lawrence: Mr. Speaker, my question to the Minister of Justice has to do with the words of Mr. Justice Aronovich yesterday, and I quote:

> If any lawyer would call me up about a case that I have under judgment, I would, to say the least, be annoyed because a lawyer knows or should know that he does not—is not supposed to do that. Among other things you know that Chrétien is a lawyer.

Mr. Speaker: Order, please. The hon. member for Prince Edward-Hastings.

Mr. Lawrence: Mr. Speaker, my question—

Mr. Speaker: Order, please. The hon. member for Prince Edward-Hastings.

INSTRUCTIONS GIVEN BY PRIME MINISTER TO CABINET MEMBERS WITH REFERENCE TO APPROACHING JUDGES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. Would the Prime Minister advise the House what policy directive he, during his stewardship as Prime Minister, has given to the members of his Cabinet and senior civil servants regarding approaching judges about matters that are before the courts.

An hon. Member: Right on.

Right Hon. P. E. Trudeau (Prime Minister): None, Mr. Speaker.

Mr. Hees: None! Mr. Speaker, I have a supplementary. Does the Prime Minister then not see how easy it is, because he has never given them any instructions in this regard, to see why his officials have carried out actions which obviously should never be participated in by members of any government.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I assume that every minister in my Cabinet feels it is his duty not to try to influence the course of justice.

Some hon. Members: Oh, oh!

Mr. Trudeau: I am surprised that when the hon. member was a minister this directive had to be given specifically to him.

Some hon. Members: Hear, hear!

Mr. Hees: Mr. Speaker, does the Prime Minister not realize that when I was a minister—

Some hon. Members: Hear, hear!

Mr. Hees: All right; just wait a minute—the Prime Minister of the day was a man who took these matters very seriously indeed—

Some hon. Members: Hear, hear!

Mr. Hees: —and he made sure that all members of his Cabinet understood that there should be a separation between the activities of his Cabinet and the operations of the courts. That is one of the many reasons the government of which he was Prime Minister did a hell of a lot better job for the country than this government.

Mr. Trudeau: Mr. Speaker, I hope it is not because the right hon. gentleman took these matters so seriously that the hon. gentleman who asked the question had to resign from the Cabinet.

An hon. Member: Where is Turner?

Mr. Hees: Where is Gray and where are all the others?

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REASON PRIME MINISTER CONCLUDES INTERVENTION BY HIS PRINCIPAL SECRETARY LEGITIMATE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Prime Minister. Yesterday in the House the Prime Minister failed to explain why the contacting of a superior court judge by a political aide within his office was considered proper procedure without first consulting or seeking the authorization of the then Minister of Justice? Today there has been the very startling revelation that the Prime Minister has concluded that the intervention at that time was a legitimate intervention. I now ask the Prime Minister, was the Justice Department at the time of that intervention asked for its opinion in that regard, has the Prime Minister since the matter has been brought to his attention in the past day contacted the Minister of Justice in order to determine whether in fact that is a legitimate intervention, or is the Prime Minister just philosophically being involved in his usual way? Would he kindly explain that to the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, for the benefit of the hon. member I will try and reduce my philosophy to a minimum.

● (1440)

Some hon. Members: Hear, hear!

Mr. Stanfield: You had better reduce more than that. Try reducing your arrogance.

[Mr. Trudeau.]

Mr. Hees: You are reducing your term of office by a long, long time. Any more observations?

Mr. Trudeau: I am interested to hear that the hon. member for Prince Edward-Hastings assumed that I would be re-elected for a long, long time. Now, he is having doubts about that.

Mr. Hees: Not since that convention.

Mr. Trudeau: If I may turn away from the interruptions to deal with this question, I want to emphasize that there was a matter of urgency here. There had been riots in Montreal, and there was real concern that there would be riots in a friendly country as a result of this judgment. This may have been a misapprehension by the friendly country, but the fact is that they did ask us when the judgment was coming down. They did not, to my knowledge, try to influence the court. They wanted to know when the judgment was coming down, presumably in order that they could make preparations.

It is possible that Mr. Justice Mackay found this to be an improper intervention. If so, it is surprising to me, to say the least, that he should at that time have given an answer as a matter of, I would say, almost public duty to one who was asking a question on behalf of the Department of External Affairs, and second, that he should have taken seven years to find himself aggrieved.

Some hon. Members: Hear, hear!

Mr. Alexander: With all due respect, the Prime Minister has evaded my question. I am trying to determine how it is that the Prime Minister can come to this House, as a lawyer knowing that that type of conduct—approaching courts, and judges in particular—is wrong. All I am asking is how the Prime Minister was able to determine, given those facts, that this was a legitimate intervention. Keeping in mind that lawyers in particular do not approach judges at any time, and in particular when there is a case going on, on what does he base this? Where does he get his information.

Mr. Speaker: Order, please. With all due respect, that is precisely the question the hon. member just asked and which the Prime Minister just answered.

Some hon. Members: Oh, oh!

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REASON FOR INTERVENTION BY MINISTER OF PUBLIC WORKS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a supplementary question to the Minister of Public Works. Yesterday the minister indicated to the House that his conversation with this colleague, the Minister of Consumer and Corporate Affairs, was privileged as between two lawyers and two cabinet colleagues. Following that conversation the minister admitted intervening or talking to the associate chief justice of the province of Quebec to see, and I quote: "that he was in full knowledge of the facts and did his duty."

An hon. Member: Read it all.

Mr. McGrath: Would the minister tell the House why he found it necessary to intervene to see that the associate chief justice of the province of Quebec did his duty, and what facts did he feel it was necessary to bring to his attention?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I think a careful reading of *Hansard* would indicate that I did not communicate with the associate chief justice with a view to conveying information to him, but rather to obtain information from him.

An hon. Member: What was it?

Mr. McGrath: The record indicates that the minister felt it necessary to talk to the associate chief justice, and I quote from *Hansard:* "to see that he was in full knowledge of the facts and did his duty." That is the quotation on the record. There is no qualification to it.

An hon. Member: Read on.

Mr. Baker (Grenville-Carleton): It is on page 11457.

Mr. McGrath: In light of this extraordinary, admitted intervention by the minister, is he now prepared to tell the House and the country what facts he felt it was necessary to bring to the attention of the associate chief justice of Quebec, bearing in mind that this is the responsibility of the prosecutor and the defence attorney?

Mr. Drury: I think the hon. gentleman has one view as to the appropriateness or otherwise of the action taken, and I have another.

Some hon. Members: Oh, oh!

An hon. Member: I am sure you have.

Mr. Drury: I would suggest that the course being followed by the Prime Minister, namely, to have this referred to and looked at by the chief justice of the province of Quebec, is the appropriate course.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—KNOWLEDGE OF JUSTICE MINISTER OF INTERVENTION BY MINISTER OF PUBLIC WORKS

Mr. James A. McGrath (St. John's East): Mr. Speaker, my final supplementary question is to the Minister of Justice, who has the ultimate responsibility here. In view of the admission by his colleague, the Minister of Public Works, that he in fact intervened in a case before the court involving the Minister of Consumer and Corporate Affairs, I want to ask the Minister of Justice if the Minister of Public Works acquainted him with the fact that he had spoken to the associate chief justice of Quebec, and would the minister tell the House what his reaction was to that admission.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, at the time, no. I think I should make it clear to the hon. gentleman and possibly to the House that there are two areas covered under the law. One is clearly stated in the Criminal Code as obstructing, perverting or defeating the course of justice.

Mr. McGrath: Why don't you answer the question?

Mr. Basford: I am answering the question. It is clear, under the Criminal Code, that it is wrong to obstruct, pervert or defeat the course of justice. It is also clear that it is criminal contempt to have a private communication for the purpose of influencing a judicial decision. Those on this side of the House are bound by that law just as much as those on the other side of the House and all the people in the country. As I indicated yesterday, there is nothing in front of me which would indicate that either of those provisions of the law have been violated.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—VIEW OF PRIME MINISTER ON PROPRIETY OF INTERVENTION BY MINISTERS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the fact that the Minister of Public Works just said that he has a different view with respect to his responsibilities in the matter of intervening in the judicial process, I want to put a question to the Prime Minister. I want to ask the Prime Minister what his view is with respect, not to what two different judges have said, but to what his own minister has said in the House as recorded in *Hansard* at page 11457 where he admits that in a matter involving one of his colleagues he had a conversation with the associate chief justice of Quebec and said that the purpose of that conversation—and I quote it in full so that there will be no suggestion of misrepresentation—was as follows:

> . . . the only intervention that would be contemplated by me would be one to see that he was in full knowledge of the facts and did his duty.

I was under the impression that the judge got his facts from the legal counsel in open court or from meeting in chambers with counsel for both parties to a dispute.

Mr. Baker (Grenville-Carleton): And the witnesses.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I am asking the Prime Minister is it, in his opinion, the right of his ministers or any other ministers to get in touch with a judge to give him the facts and to order him to do his duty, which we take it for granted he would do without the intervention of the Minister of Public Works?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the hon. member is making the case very forcefully and very correctly, and it is because of the seriousness of this that I am concerned with having the judges decide whether or not they have been aggrieved. I am simply answering to the hon. member that the associate Chief Justice has not to my knowledge complained about being influenced in any way. I do not expect him to make his complaint to me; I would expect him to make it to the Chief Justice of his court or perhaps to the Department of Justice.

● (1450)

An hon. Member: Or the council.

Mr. Trudeau: Until I have some knowledge of that complaint, surely, the hon. member would not blame me for taking the word of my minister that he has not attempted to influence anybody.

An hon. Member: We had his word.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REQUEST FOR PUBLIC INQUIRY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, a supplementary question for the Prime Minister. In view of the fact that even if the judge does not complain that in his opinion there was intervention, surely the statements by the Minister of Public Works yesterday and again today show there was intervention.

In view of the seriousness of this situation and the effect it will have on the people of Canada generally as well as their respect for this parliament and the judiciary, I should like to ask the Prime Minister if instead of having this cozy "All in the family" arrangement by which he and the Minister of Justice are going to discuss the matter with the Chief Justice of the province of Quebec and then decide what if anything they will do, does he not feel he would be in a better position, Mr. Justice Mackay would be in a better position and the judiciary generally would be in a better position if he agreed to a public investigation? That way the public would not only know that justice has been done but it would be very clear to the public that it has indeed been done.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have nothing to add. I just see something objectionable in the hon. member's suggestion of a cozy arrangement with the Chief Justice of the Superior Court.

Some hon. Members: Oh, oh!

Mr. Trudeau: I assume that the Chief Justice of the Superior Court will not be influenced or indeed annoyed by the opinion of the hon. member opposite.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A brief supplementary, Mr. Speaker. May I ask the Prime Minister if he would not consider that a report being made by the Chief Justice of Quebec to the Minister of Justice and the latter reporting to the Prime Minister without any commitment from the government at this time that the report of the Chief Justice would be made public—how can one consider that to be anything but a cozy arrangement?

Mr. Trudeau: Mr. Speaker, I am afraid the hon. member did not hear the answer I gave a few minutes ago. As far as the government is concerned, we would welcome the Chief Justice making his report public. I am just indicating, because of the separation of powers which is held so highly on the other side, that I would not order him to do so.

Some hon. Members: Hear, hear!

[Mr. Trudeau.]

[*Translation*]

AIR TRANSPORT

HEALTH TESTS FOR PILOTS—REPORTING OF NEAR ACCIDENTS BY AIR TRAFFIC CONTROLLERS

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, I should like to put a question to the Minister of Transport.

In view of the importance of ensuring airspace safety in Canada and the doubts raised in the public mind as a result of the statements made by groups and organizations involved in air transport, can the Minister of Transport tell the House whether the rules of his department require commercial pilots to submit to the breathalizer test before flying, whether it is mandatory for pilots and air controllers to report to the department all near accidents which may occur, and whether his department publishes the results of its inquiries and the causes of the near accidents?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there are rules on the subject of the physical condition of pilots and their consumption of alcohol and drugs. It has not been necessary to follow these rules with any express advance testing. We have no reason to believe there is any interference with the application of these rules. In the case of accidents, there is a requirement for reports but it is certainly not easy to identify specific accidents by cause.

* * *

HEALTH

ALLEGATION MINISTER ASKED DR. CONNOLLY TO WITHDRAW CHARGE AGAINST WHITEHORSE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, when a person rises to ask a question my hon. friends opposite act as though they were about to say "Viva Cuba".

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, my question is directed to the Minister of National Health and Welfare. It has to do with the recent case in the Yukon where a charge was laid by Dr. Connolly of the Department of National Health and Welfare against the municipality of Whitehorse for permitting raw sewage to be dumped into the Yukon river. This was one of the minister's own officials. Did the minister ask Dr. Connolly to withdraw that charge and when he refused to do so did the minister have one of his most senior officials get in touch with Dr. Connolly and advise him that the minister had asked him to inform the doctor that unless he carried out his direction he would be dismissed?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): No, Mr. Speaker, I have given no such instructions. However, I have heard of the matter, but I should

like to refresh my memory as to the facts. I gave no specific instruction to that effect.

[*English*]

Mr. Diefenbaker: A supplementary question. Whether they were specific or not specific did the minister advise the Regional Director of Health Services in Edmonton to inform Dr. Connolly that unless he withdrew the charge he would be dismissed?

[*Translation*]

Mr. Lalonde No, Mr. Speaker.

[*English*]

Mr. Diefenbaker: Mr. Speaker, did he know that such directions had been given on his behalf?

[*Translation*]

Mr. Lalonde No, Mr. Speaker.

[*English*]

Mr. Diefenbaker: I would think he would be able to recall this case.

Mr. Speaker: Order, please. The hon. Minister of National Health and Welfare has given three very direct answers to the questions asked by the right hon. member. If he has another question I will be prepared to permit it.

Mr. Diefenbaker: Mr. Speaker, if you have been listening you will have noticed the desire of government members to howl down anyone from this side.

Some hon. Members: Oh, oh!

An hon. Member: Shame!

Mr. Diefenbaker: Castro never had more obedient supporters.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, will the minister refresh his memory, and will he table the correspondence in connection with this charge as well as the refusal of the official in the Yukon to carry out instructions, so the action went ahead and instead of the fine being $5,000 the town of Whitehorse pleaded guilty and the fine was $100?

[*Translation*]

Mr. Lalonde Mr. Speaker, I told the hon. member that I would look into the facts; I shall be pleased to examine the correspondence that may exist on that subject.

[*English*]

Mr. Speaker: The hon. member for Northumberland-Durham on a point of order.

Mr. Lawrence: On a point of order, Mr. Speaker, I am well aware, sir, as I know you are, that this House has appointed you as the servant of the House, and not its master, with very wide discretionary powers with regard to deciding what is in order and what is not in order in the question period. May I merely say to you, sir, that we are all aware that this discretionary power in your hands has to be exercised with fairness and equality toward all members.

● (1500)

May I put my point of order this way. All members, including the Prime Minister, ministers and opposition members, participate equally in the rights, duties, responsibilities and privileges accorded to hon. members. This afternoon the Prime Minister on four occasions referred to his interpretation of a single judge's word. When I stood up and by way of preamble to a short, simple question to the chief law officer of the Crown attempted to put on record the actual words of the judge, Your Honour cut me off at the knees.

Mr. Speaker: Order, please. I do not propose to enter into a dialogue on this matter. I will simply say this as I was compelled to make a decision in respect of the hon. member's question. After being given the floor, the hon. member for Northumberland-Durham put what I consider a more than adequate preamble to his question. I intervened, and I always intervene reluctantly, to ask him to put the question forthwith. I did this at the very moment he was about to quote something. In other words, I was saying directly that I thought he had put a long enough preamble and ought to put his question. The hon. member began asking the question and then began to read the quotation I had asked him directly not to read. In the circumstances, I do not see what other choice the Chair had.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. On October 14, 1975, Your Honour informed the House that on September 3 you had issued your warrant for a by-election in the constituency of St. John's West. As the statutory six months have expired, I wonder if Your Honour can say why the date for that by-election has not been announced.

Mr. Trudeau: Mr. Speaker, if I may anticipate the answer even though I do not believe you have called for ministerial statements on motions, I have something before me which may satisfy the hon. member.

An hon. Member: Too late.

Mr. Trudeau: Why am I too late?

An hon. Member: Time has expired.

Mr. Speaker: Order, please. The Prime Minister, I presume, is indicating his intention, on tabling of documents, to perhaps table a document which may be of some interest in this regard.

ROUTINE PROCEEDINGS

[*English*]

ELECTIONS

TABLING OF ORDER IN COUNCIL COVERING BY-ELECTION IN ST. JOHN'S WEST

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in accordance with Standing Order 41(2) I am tabling

copies, in both official languages, of order in council No. 1976-507 ordering the issuance of a writ for a by-election in the electoral district of St. John's West, Newfoundland, on my birthday.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. May I ask the President of the Privy Council if there is to be any change in the announcement he made the other day. May I also thank the Prime Minister for the opportunity to present him with a birthday present later this year.

Mr. Paproski: On his sixtieth birthday.

Mr. Sharp: Mr. Speaker, when I last announced government business I said that Bill C-68 would continue to be the business before the House, to be followed by several relatively non-controversial bills. Because of the prolonged debate on Bill C-68 the order of business is to be changed. The next item of business is to be the Senate amendment to Bill S-10, followed by Bill S-8, Bill C-86 and Bill C-61.

On Monday we intend to call the first of the bills dealing with amendments to the criminal law. I should like the opportunity, as I told the House leaders, to discuss how we shall deal with that bill and the bill following to do with capital punishment. It is the desire of the House to have full and adequate discussion of these measures; at the same time, I am sure the House does not want discussion on these bills to occupy the time of the House to the detriment of other urgent legislation. I hope we can reach some accommodation on that matter and on the question the Conservative House leader raised for discussion of the petitions regarding redistribution.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, a week ago today the Minister of Veterans Affairs made his welcome announcement concerning legislation respecting Canadian veterans who were prisoners of war. It was indicated that the legislation would be before the House in a few days. When will that bill be on the order paper, and can it be taken for granted that, since it will be dealt with quickly, we can interrupt the discussion on other bills to deal with that legislation?

Mr. Sharp: Mr. Speaker, I agree with the hon. member for Winnipeg North Centre. The matter is urgent. We are preparing the bill and it will be on the order paper in due course. But other matters also have priority. I hope we shall have his co-operation on them in the same way that he will have our co-operation on the matter in which he is interested.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[Mr. Trudeau.]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,312, 3,650, 3,697, 3,781, 3,914 and 4,022.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

LEASING OF GOVERNMENT BUILDING IN PENTICTON, BRITISH COLUMBIA

Question No. 3,312—**Mr. Whittaker:**

1. What is the name of the company that leased the government building on Main Street, Penticton, British Columbia?

2. Who are the principle officers of the company?

3. What (a) is the length of time (b) are the terms of the lease?

4. What are the terms of the lease-back (time, rent, etc.) for the portion of the building now occupied by the Penticton Manpower Office?

Hon. C. M. Drury (Minister of Public Works): 1. This government of Canada building was leased jointly by Leemar Enterprises Ltd., Betca Securities Ltd. and Lancing Enterprises Ltd.

2. The principal officers are as follows: R. L. Richards and C. E. Erickson and wives for Leemar Enterprises Ltd., C. W. Schwarz and wife for Betca Securities Ltd. and J. M. O'Hara and wife for Lancing Enterprises Ltd.

3. Leased (a) for a period of 35 years from October 1, 1974, at (b) $6,600 per year or 17 per cent of gross receipts whichever is greater. Lease includes an option to renew the agreement for a period of 15 years at a rate to be negotiated. Tenant responsible for all taxes, repairs and services etc., with no escalation clauses.

4. A total of 6,213 square feet were re-leased for a period of five years from May 1, 1975 at an annual rent of $41,186.28. The lease agreement includes an option to renew for a period of five years at a rate to be negotiated. Landlord provides all services, including janitor, heat, electricity, taxes etc., under lease-back to Crown.

SURVEILLANCE OF COASTAL WATERS

Question No. 3,650—**Mr. Herbert:**

1. What are the specific responsibilities in connection with the surveillance of coastal waters of the Department of (a) the Environment (b) External Affairs (c) the Environment (Fisheries) (d) National Defence (e) the Solicitor General (f) Transport?

2. Are any such responsibilities overlapping and by what means are the activities coordinated?

Hon. Mitchell Sharp (President of the Privy Council): 1. (a) The specific responsibilities of the Department of the Environment in connection with the surveillance of coastal waters include enforcement of all acts and regulations governing fishing activity, both Canadian and foreign, under the Fisheries Act, the Coastal Fisheries Protection Act, Territorial Sea and Fishing Zones Act, North Pacific Fisheries Convention Act, Pacific Fur Seals Convention Act, North Pacific Halibut Fisheries Convention Act, Pacific Salmon Fisheries Convention Act and the Whaling Convention Act; the conduct of fisheries and oceanographic research; conduct of hydrographic charging; observation

of ice; and the monitoring and surveillance of all activities in coastal waters that might lead to the impairment of the marine environment, including enforcement of the Ocean Dumping Act and regulations thereto, as well as other acts and regulations governing the protection of the marine environment. The department is assisted in the conduct of fisheries enforcement by air and sea surveillance undertaken on its behalf by the Department of National Defence. (b) The Department of External Affairs has no specific responsibility in connection with the surveillance of coastal waters. The department has a general responsibility for the international recognition and respect of Canadian sovereignty, and of the laws and regulations which are aspects of this sovereignty. The department is also responsible for the orderly development of international law, taking into account Canada's objectives relating to jurisdiction in coastal waters, and for the communication to foreign governments of the Canadian position based on information obtained from surveillance activities over Canadian coastal waters. (c) See (a) above. (d) The Department of National Defence is charged with the general responsibility to ensure that, overall, an adequate surveillance and control capability exists for the protection of Canadian sovereignty and security. Specifically, the department is responsible for the surveillance and control of Canadian coastal waters and their approaches to determine if there is any foreign military activities in these waters and if necessary to counteract such activity. In addition the Department of National Defence supplements and supports other departments in maintaining surveillance and control of non-military activities that might be prejudicial to Canada's sovereign interests. (e) The Royal Canadian Mounted Police is not primarily responsible for the surveillance of coastal waters. In the enforcement of federal statutes, however, patrols are made over coastal waters. (f) The Minister of Transport is generally identified as the minister responsible for maritime matters. Such responsibility applies with respect to navigation and shipping within Canada, and outside of Canada where Canadian ships are involved. Such administrative responsibility is legislatively provided for under the Canada Shipping Act, and relates to registration, certification of seamen, pilotage, wreck, salvage, safety and investigation, as well as the maintenance of lighthouses, buoys, and beacons, public harbours and a host of other matters related to marine safety and navigation. For the purposes of enforcement of the maintenance of ship-source pollution prevention standards, as well as search and rescue, the minister, through the Canadian Coast Guard, provides the marine element of Canada's activity in these areas, routine surveillance patrol included. All vessels when at sea are required to provide rescue assistance and to generally report all signs of environmental pollution. Rather than an overlap of activities, a better view would regard the activities of government and private shipping as being coordinated for the purposes of rescue assistance and environmental pollution control.

2. (a) Co-ordination of all government coastal surveillance activities is achieved by a) aerial and b) surface surveillance. Responsibilities in aerial surveillance overlap with: (a) DND for sovereignty and security. (b) DOE for fisheries. (c) DEMR for continental shelf exploration. (d) DINA for seismic vessel surveillance. (e) DOE for ecological and environment protection. (f) MOT for pollution from vessels. (i) annual consultation between DND and other departments to determine their forecast surveillance requirements and the programming of Canadian Forces' ship and aircraft operations to ensure these requirements are met; (ii) utilizing the Operational Co-ordination Centres at Halifax and Esquimalt for special-case surveillance missions. (iii) rescue and environmental pollution control operations are co-ordinated in any given case by the Rescue Co-ordination Centre (DND) and the Canadian Coast Traffic Centre (MOT) respectively. (b) Furthermore, there are regional and national coordinating committees administering the Ocean Dumping legislation chaired by the Department of the Environment which allows cooperative arrangements with the Department of National Defence and the Ministry of Transport.

* * *

COURTS MARTIAL

Question No. 3,697—**Mr. Maine:**

1. How many courts martial were held in each year from 1965 to date?

2. What was the number of court reporters employed by the Department of National Defence in each year from 1965 to date?

Hon. James Richardson (Minister of National Defence): 1.

Year	Number of Courts Martial
1965	31
1966	22
1967	28
1968	34
1969	62
1970	78
1971	68
1972	58
1973	64
1974	90
1975	116

2. Year	Number of Court Reporters
1965	7
1966	7
1967	6
1968	6
1969	5
1970	8
1971	12
1972	12
1973	13
1974	11
1975	10

Order Paper Questions

BLOWPIPE WEAPONS

Question No. 3,781—**Mr. McKinnon:**

1. How many Blowpipe weapons have been issued to Canadian troops up to December 1, 1975?

2. What fraction or percentage of the order for such weapon does this figure represent?

3. What is the total cost of the weapon and ammunition issued to the troops up to December 1, 1975?

4. What is the maximum range of the weapon?

Hon. James Richardson (Minister of National Defence): 1. One hundred three systems are being purchased and some items including training devices are being received. However, no complete systems have been issued to the troops as of this date.

2. Not applicable in view of 1 above.

3. Total program cost including aiming units, ancillary items and missiles is estimated to be $30,493,000.

4. This information is presently classified in accordance with a NATO agreement.

FRESH FRUITS AND VEGETABLES STORAGE CONSTRUCTION ASSISTANCE PROGRAM

Question No. 3,914—**Mr. Marshall:**

1. Under the Fresh Fruits and Vegetables Storage Construction Financial Assistance Programme have meetings been held between the government and the Province of Newfoundland to make them aware of such a programme?

2. Have any meetings been held between federal agricultural officials stationed in Newfoundland with produce groups to make them aware of such a programme?

3. (a) What action has been taken by the Information Services, Department of Agriculture to advise produce groups across Canada of the programme (b) on what dates were meetings held (c) what groups were contacted?

4. Of the 18 projects assisted in 1975 with a total cost of $4,205,883 were any applications received from the Province of Newfoundland?

5. What were the 18 projects assisted in 1975, by group and province?

6. What is the total budget allocation for the programme?

Hon. E. F. Whelan (Minister of Agriculture): 1. Yes, provincial officials were advised about details of the program through discussions following announcement of the program.

2. Contact was made individually with potential applicants rather than through formal meetings.

3. (a), (b) and (c) Information Services, Department of Agriculture, did not have meetings across the country to bring information to the attention of groups but did release complete information about the program through the press and 75 radio stations on September 24, 1973 and September 9, 1974.

4. No.

5. Alberta: Bassano Growers Co-operative Ltd., Bassano Vauxhall Potato Farm Storage Ltd., Vauxhall. British Columbia: Vancouver Island Vegetable Co-op, Courtenay, B.C. Kelowna Growers Exchange Co-op., Kelowna, B.C. Cloverdale Lettuce & Vegetable Co-op, Cloverdale, B.C. Oliver-Osoyoos Growers Association, Oliver, B.C. Lake Area Co-operative Growers Assoc., Summerland, B.C. Manitoba: Haskett Growers Ltd., Stanley Man. New Brunswick: Co-op Kent-Sud, Ste-Marie de Kent. Nova Scotia: Scotian Gold Co-operative Ltd., Kentville, N.S. Ontario Oxford Fruit Co-op Ltd., Woodstock Elgin Co-operative Services, St. Thomas Cedar Springs Cherry Growers Co-op Ltd., Blenheim, Ont. The Norfolks Fruit Growers Assoc., Simcoe, Ont. Bluewater Storage Ltd., Clarksburg Ontario Fruit-for- Processing Co-operative Ltd., St. Catharines. Quebec: Tremblay et Desroches Ltée, St-Alexis. Société coopérative Agricole des Pomiculteurs de Rougemont, Rougemont.

6. Budget allocation 1975-76: $2,000,000.

BEAUFORT SEA STUDY COMMISSION

Question No. 4,022—**Mr. Lambert (Bellechasse):**

1. What were the (a) names (b) duties (c) salaries of (i) the Chairman (ii) other members of the study commission that prepared the report entitled *Offshore Drilling for Oil in the Beaufort Sea — A Preliminary Assessment*?

2. Did the study relate to the dangers of pollution of (a) water (b) air and, if so, to what degree?

3. Did the oil companies financially contribute to the research and, if so (a) which companies (b) to what extent in each case (c) were (i) multinational (ii) national companies involved?

Hon. Jean Marchand (Minister of the Environment): 1. The report was the result of the work of many scientists both from the federal and private sectors. It was edited by A. R. Milne, Project Manager and B. D. Smiley, Project Biologist and incorporated the comments and observations of many departments. The final authority for the preparation of this report rested with a Steering Committee consisting of the following three members of Environment Canada. Dr. R. W. Stewart, Chairman, SX-2 $31,500-41,500, Director-General, Pacific Region, Ocean and Aquatic Sciences, Fisheries and Marine Service. Dr. J. Clodman, REM-3 $29,000-37,200, Director, Meteorological Services Research Branch, Atmospheric Environment Service. Dr. A. McPherson, SX-2 $31,500-41,500, Director-General, Western and Northern Region, Environmental Management Service.

2. The study considered that the pollution caused by oil in the water environment posed the greatest threat and the report concentrated on this aspect. The pollution to the air either by the natural escape of gas from a blow-out or by the burning of oil and gas in a countermeasure program was not considered to be as significant.

3. The oil industry contributed a total of $4.1 million to the Beaufort Sea Project through a direct transfer to Treasury Board. The industrial input was co-ordinated through the Arctic Petroleum Operators Association and also included the input of scientific and technical knowledge. There were eighteen companies involved and their respective contributions are as follows: Hunt International, multinational, $826,560, 20.16 per cent; Imperial Oil, multinational, $539,560, 13.16 per cent; Canadian Superior, multinational, $494,460, 12.06 per cent; Aquitaine, multinational, $319,390, 7.79 per cent; Dome Petroleum, national, $300,490, 7.34 per cent; Elf, multinational, $252,970, 6.17 per cent; Sun Oil, multinational, $241,490, 5.89 per cent; Mobil Oil, multinational, $214,840, 5.24 per cent; Gulf, multinational, $214,430, 5.23 per cent; Hudson Bay Oil & Gas, multinational, $173,430, 4.23 per cent; Pan Arctic, national, $120,950, 2.95 per cent; Shell Canada, multinational, $100,-

040, 2.44 per cent; Arco, multinational, $84,460, 2.06 per cent; Canadian Export Oil & Gas, national, $63,960, 1.56 per cent; Global Marine, multinational, $63,140, 1.54 per cent; Union Oil, multinational, $43,050, 1.05 per cent; Amoco, multinational, $37,310, 0.91 per cent; Tennaco, multinational, $9,020, 0.22 per cent.

GOVERNMENT ORDERS

[*English*]

FEEDS ACT

AMENDMENTS TO BROADEN DEFINITIONS AND CONTROL OVER MANUFACTURE, SALE OR IMPORTATION

Hon. Eugene F. Whelan (Minister of Agriculture) moved the second reading of an concurrence in an amendment made by the Senate to the amendments made by the House of Commons to Bill S-10, to amend the Feeds Act.

Mr. Towers: Mr. Speaker, I rise on a point of order. I do not like the manner in which this bill was presented to the House originally and I do not like how the other place amended the bill. It was first amended in the standing committee of the House of Commons.

In *Votes and Proceedings* of December 19, 1975, the following is printed:

A message was received from the Senate informing this House that the Senate concurs in the first and second amendments made by this House to Bill S-10, an act to amend the Feeds Act, but has amended the third amendment, as follows:

Strike out the third amendment—

I suggest that the Senate amendment before us is in an unintelligible form. The Senate refers to lines 7 to 30 on page 3 of the bill. If the suggested wording is substituted for the lines cited, the clause does not read properly. The amendment appears to refer to the bill as originally passed by the Senate and not to the version sent by this House to the other place for consideration.

If the error in the amendment had been made by a committee of this House, the correction could be made by the Law Clerk or by unanimous consent. Since this amendment comes to us in imperfect form, contrary to our Standing Order 69—not from any member, minister or committee here, but from the other place—I suggest we do not have the power to alter the Senate message and the amendment must be returned there for correction. I leave the matter for your judgment.

● (1510)

Mr. Peters: Mr. Speaker, I, too, am confused as to the amendment. I agree with the previous speaker that the amendment appears to strike out subsection (3) and substitute therefore the section that appears in the reprinted bill which came from the Senate. Reading the minutes of the Senate and *Votes and Proceedings*, it is very difficult to assess exactly what they did. The effect is fairly obvious, but it seems that the form of the amendment and the description in *Votes and Proceedings* do not bear much relationship to the reprinted bill. There is some fault in it.

The House should give consideration to the form in which it is presented, rather than discuss it when it is not clear what took place in the other place in relation to the amendment that had been made and incorporated in the original bill as it was returned from the House of Commons Standing Committee on Agriculture.

Mr. Baker (Grenville-Carleton): Mr. Speaker, this matter is rather complicated and it may require some time for Your Honour to consider it. I submit that the point made by the hon. member for Red Deer (Mr. Towers) is well taken. We are prepared to accommodate the Chair with respect to time. I understand that the next order of business is Bill S-8. If it is appropriate, we are prepared to proceed with debate on Bill S-8. That may be helpful to the government in the dilemma in which they find themselves.

Mr. Whelan: Mr. Speaker, speaking to the point of order, the Senate amendment to the bill referred to it by the House contains only one modification of substance to the bill as amended by the House on November 26, 1975. That modification is to remove the penalty limit of $2,000 that may be applied to a corporation if found guilty of an offence and convicted on indictment. The limit is replaced by provision for a fine in the discretion of the court. The legal advice given to officers in my department is that this is within proper procedures.

Mr. Speaker: It is obvious that the Chair will need some time to examine the documents and consider the point of order that has been raised and contributed to by hon. members. I think the wisest course of action would be to consider the next item of business and leave this matter with the Chair until such time as I have had an opportunity to look at it. Perhaps prior to five o'clock I will be in a position to make a definitive ruling on the point of order.

Mr. Blais: Mr. Speaker, the course that you propose is acceptable to the government. I might indicate my willingness, after reviewing the points that have been raised, to provide Your Honour with any wisdom I am able to muster.

Mr. Speaker: Is it agreed that this matter will stand for consideration later this day?

Some hon. Members: Agreed.

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MOTOR VEHICLE TIRE SAFETY ACT

MEASURE TO ESTABLISH SAFETY STANDARDS FOR TIRES

The House resumed, from Monday, June 16, 1975, consideration of the motion of Mr. Sharp (for the Minister of Transport), that Bill S-8, respecting the use of national safety marks in relation to motor vehicle tires and to provide for safety standards for certain motor vehicle tires imported into or exported from Canada or sent or conveyed from one province to another, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Baker (Grenville-Carleton): Mr. Speaker, the hon. member for Vegreville (Mr. Mazankowski) had the floor at

the time of the last debate. Unfortunately, he cannot be there today.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, there was considerable concern over Bill S-8 with regard to the government wanting to have extensive records kept of tires being sold. However, the government has since changed its mind with regard to having this extensive recording system. It is indicated in a letter to the official opposition from the Parliamentary Secretary to the Minister of Transport (Mr. Goodale) that this section will be removed. Similar legislation was passed in the United States in 1966. Studies show that the record system was only 25 per cent to 35 per cent effective. There is a move on foot in the U.S. to abandon this scheme and simply require the tire consumer to fill in the details of the purchase on a card supplied by the dealer and mail it to the tire manufacturer or importer. I understand the government will be introducing a similar scheme for Canada.

In order to allay any fears with regard to tire safety, I wish to point out that Bill S-8 follows essentially the same outline as its predecessor, the Motor Vehicle Safety Act, in its methods for instituting a single, unified set of government-regulated standards for motor vehicle tires. Out of the 20 million tires sold annually in Canada, six million are covered as original equipment of new motor vehicles by the regulations of the Motor Vehicle Safey Act. The remaining 14 million, however, are not covered by this legislation and may be manufactured and sold without having to conform to any federal set of standards.

There is a recall system. The establishment of a government-regulated recall system based on so comprehensive a set of records would cause much concern among tire manufacturers and distributors who see it as an unnecessary and extreme measure not worth the trouble and expense of its implementation. Between 50 million and 60 million transactions are involved in tire sales each year and it will be very costly for the manufacturer if he is held responsible for tracing each one. The expense of the proposed system would be reflected in an estimated 30 cents to 60 cents increase in the price per tire or a total of over $4 million annually to the consumer.

It is the opinion of the tire manufacturers that there are not enough incidents of recall or occurrences of defective tires leaking into the market to justify the cost and paperwork of the proposed record system when they already have efficient recall systems in effect. Tire companies, by the necessity of maintaining quality control, devote a large amount of time and capital to research and testing, along with recall systems which although rarely used are as effective as any possible. Therefore, there is an excellent system now working in Canada.

Canadian manufacturers have had to initiate very few recalls. Firestone of Canada, for example, has had to recall a series of tires that had reached the customer only once during their 53 years as a company, and this was because there was a possibility that they had not been properly installed on new 1973 Ford Mavericks. Because the cars themselves were registered, there was little difficulty in contacting the owners of these tires and the notification campaign was considered to be 100 per cent effective. Goodyear of Canada has had occasion to recall only one series of tires in the past five years on account of a very minor defect.

In conclusion, if the bill passed in its original form it would serve as a precedent for government meddling in the affairs of private industry on the pretext of acting for the public safety.

• (1520)

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, is not the bill in the minister's name, and would he not be closing the debate if he speaks?

Mr. Deputy Speaker: The motion I have before me is in the name of Mr. Sharp, so the minister is speaking for the first time.

Mr. Lang: Yes, Mr. Speaker, the debate was opened by the Parliamentary Secretary to the Minister of Transport (Mr. Goodale). I shall not devote time to stressing the clear objective of safety which is the purpose of this bill. The need for action in this regard was emphasized in the course of a coroner's inquest into an accident in Ontario during last summer, on June 27, at Cornwall. One of the recommendations made by the coroner was that tire manufacturers, in conjunction with the Department of Transport, should adopt more stringent testing procedures and that these tests should be enforced. This is what we are attempting to do as we apply safety standards to replacement tires as well as new tires.

I would simply confirm the comments made by the hon. member who has just resumed his seat. It has never been our view that an unnecessary burden should be imposed on those engaged in the manufacture or sale of tires, nor has it been our intention to incur unnecessary expense in the form of engaging extra inspectors to act on behalf of the government.

My parliamentary secretary, the hon. member for Assiniboia, has written to the hon. member for Halton-Wentworth (Mr. Kempling) confirming that it would be our intention, in the course of the consideration of this bill in committee, to look favourable on amendments which would change the recording procedure so that a card procedure could be used on the basis of the purchaser having the burden of returning the card, rather than imposing an elaborate record keeping system on the seller. In addition, we would propose an amendment which would designate inspectors under the Motor Vehicle Safety Act as inspectors under the Motor Vehicle Tire Safety Act as well, thus avoiding duplication of inspection services.

With these changes, I commend the bill to hon. members and trust it may go speedily to committee for further consideration there clause by clause.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I should like to take this opportunity to commend the government for this general move. Let me say simply that the many coroner's reports I have read over the last 15 years point directly, and sometimes indirectly, to the fact that overloading of tires and tire defects are the cause of many highway deaths and injuries.

I hope that, in addition to allaying the fears of hon. members who have already spoken, the government will take this legislation very seriously, because aside from the odd case of tire defects being responsible for specific accidents it is my view that the overloading of tires per se by individual motor operators is the cause of many more accidents than we care to believe. As I say, leaving aside the question of obvious defects in the course of mass tire manufacture, it is my view that at least 35 per cent of the Canadian driving public are overloading their tires, and no amount of sophisticated investigation can tell the minister or the House to what extent overloaded tires are responsible directly or indirectly for motor vehicle accidents.

The overloading of cars on weekends or, for that matter, on any day of the week is a serious factor bearing on highway deaths and injuries, so anything the government can do to enforce the regulations in relation to this bill will play only a part in reducing what I call the worldwide epidemic of highway fatalities.

I realize we are verging upon a philosophical debate here when we talk about consumer protection. Do I have the right, when I go to a tire dealer, to look for a bargain? Certainly, I want to get the best possible tire at the best possible price. But we have to look at this very carefully. There are those who say we do not have the right to interfere with the free market; that a man should be able to buy whatever tire he chooses to put on his car. I can understand that point of view, but to my mind the only right I have when I go to buy a tire is to buy the safest tire for my car that modern technology can produce. I do not have the right, on a Friday night, because I can get a monetary bargain at a tire shop, to go out the next day and wipe out a whole family travelling to the country simply because I have saved a few dollars by putting cheap tires on my car.

We need to be clear about the rights of the individual in terms of what he can or cannot do when he goes shopping for a tire. I am not suggesting the minister should build up a bureaucracy, nor am I suggesting, as was done by the hon. member for Winnipeg South Centre (Mr. McKenzie), that because the recording system failed in the United States it will fail in Canada. I am getting a little tired of that way of thinking. Our system does not necessarily have to be the same as the system used in the United States.

I believe the minister is willing to take a good initiative. I know all about the lobbying and the bureaucratic mess in the United States; I have been in touch with Mr. Nader on many occasions and I know in detail why the system failed in the United States. But there is no reason why it should fail in Canada. I have faith in the minister and his philosophy. Modern-day consumerism does not necessarily mean interfering in the marketplace. I believe that government, the public and the manufacturers have to work together, and if we do this in a sensible and adult way, goods can be produced at a reasonable price while yet being of a quality which ensures the protection of the individual.

I think we can find reasonably priced tires in the marketplace and at the same time be sure that they are the best tires that modern technology can produce. The public has a right to expect no less, whether the tires in question are new tires or replacement tires. With a minimum of expense and a maximum amount of modern-day surveillance, we can make sure that the individual buyer gets a good deal and the public gets the protection it deserves.

● (1530)

At the risk of being repetitive, while the minister quoted a specific coroner's report it is impossible to be specific about the number of death and injury-producing accidents that have occurred because the wrong tires were on a vehicle. In terms of manoeuvrability and handling, in terms of fatigue on a long journey, it is essential that a driver has the right tires on a vehicle. I think the minister will agree that no amount of specific investigation by a coroner would disclose that the tires were defective and caused an accident because one blew out, or something of that nature. In my view, the fact that the driver did not have the right tire on his vehicle during a long trip is a definite factor in the cause of a death or injury-producing accident.

Therefore, I commend the government for introducing this legislation and I hope the public and the industry will co-operate in playing some small part in reducing the worldwide epidemic of slaughter on our highways.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I want to say only a few words on this bill. I want to echo the remarks of the previous speaker in saying we welcome the legislation, which provides some better standards in the area of safety, particularly of automobile tires. The legislation deserves the support of all.

May I say to the minister, through you, Mr. Speaker, that if the minimum safety requirements and safety marking of tires results in reducing the multiplicity of sizes and qualities of tires with which the consumer is presently faced, then we will have accomplished a good deal. While I agree with many of the remarks of the hon. member for Brome-Missisquoi (Mr. Grafftey), one thing I am sure he appreciates as well as the minister is that when Joe Consumer goes into a tire store and he is faced with a multiplicity of makes, sizes and qualities, he is thoroughly confused and does not know what he is buying.

Further, I hope the Minister of Transport (Mr. Lang) and the Minister of Consumer and Corporate Affairs (Mr. Ouellet) will work very closely together in the area of false and misleading advertising of tires. If you were to believe all the ads you see in the newspapers, Mr. Speaker, you would be able to buy the best tire in the world for almost nothing. The consumer is being harassed or confused in two ways: first, by the multiplicity of sizes, qualities, makes and names of tires; secondly, by the kind of advertising of these tires presented to him.

Another matter that the Minister of Transport and the Minister of Consumer and Corporate Affairs should look into relates to what are called standard tires. If a person makes the mistake of forgetting about the quality of the tires on a brand new car, he will automatically get tires on his car that are in fact unsafe and unreliable. The last time I ordered a car, Mr. Speaker, I ordered it with Oshawa delivery. It was a compact car and I picked it up in Oshawa. I had forgotten about the tires. The tires on my car were called standard tires, 4-ply, and then in brackets "2-ply rating". If you can get 15,000 to 18,000 miles out of

these tires, Mr. Speaker, you are lucky. They are very cheap tires and you get cheap performance out of them.

I submit that that kind of standard for a so-called standard tire is totally inadequate. The tire is unsafe, yet it is automatically placed on a new automobile unless you specify that you want a higher ply rating, a higher quality tire. As a result of this, tens of thousands of brand new automobiles take to the roads in Canada with substandard, unsafe tires. It seems to me that this sort of nonsense of calling a tire a 4-ply tire, and then when you read the fine print you find it has a 2-ply rating, should cease.

I hope the result of this legislation will be that the standards are high enough that consumers, whether they purchase a new car without specifying a particular brand of tire, or whether they purchase new tires to replace worn out ones, will not have to try to work their way through the maze of tire sizes, qualities, names, kinds of tread, whether steel belted, non-steel belted, radial, nylon, rayon, polyester—everything but wool. I hope the legislation will require a sufficiently high standard that a good number of these sizes, makes and treads will have been eliminated from the market.

I also think the consumer should be much more realistic in purchasing something like an automobile tire. In trying to save a buck it may cost him his life or a limb. Cheap tires are cheap; you get exactly what you pay for. They are unsafe. Their quality is such that you cannot trust them at speeds of 60 or 70 miles an hour or on rough roads at slower speeds. There is a much greater tendency for them to break down under such conditions.

So far as advertising tires at cheap prices, special sales, and so on, is concerned, I am often amazed that one year a tire that I want of the size and quality I want will cost $40 or $45, and a year later, because they have developed some new size or tread, or a tire with a wider or narrower white wall, the tire is out of production and all of a sudden can be purchased for $15 or $20. This calls into question the kind of pricing practices used in selling tires which mislead the consumer if not falsely direct him.

If the safety requirements in this legislation raise the standards sufficiently high to reduce not only the massive number of sizes, kinds of tread, makes, and so forth, but also make it possible for the consumer to have a fair degree of confidence in the product he is buying, then the legislation deserves not only the support of all members of the House but the maximum of enforcement. How many times has our parliament passed legislation placing a better standard on a certain sector of our economy, and when the regulations come down or when instructions go out to the civil servants responsible for enforcing the legislation, the government's heart is not in it?

● (1540)

The tire manufacturers, just like the automobile manufacturers, plead and beg and go to whatever other lengths they have to in an effort to get the government to take it easy, to spread the regulations out over a period of several years so that they will have time in which to retool their plant. They will go to great lengths in order to get the government to lay off, with no consideration for the welfare, comfort and safety of the users of the tires. Suddenly the urgency concerns the welfare, the capital and the wishes of the manufacturer of the tires.

[Mr. Benjamin.]

We, the government, and those in the public service responsible for the enforcement of the laws should keep in mind that tire manufacturers are very adept at retooling very quickly when they come up with a new kind of tire. In that situation there is no problem. However, when regulations are involved, suddenly they need all kinds of time. They say they must have time to recover their capital costs, and so on. In such cases the legislation is not enforced for a period of many months, and sometimes years. We have seen this happen in many other areas such as packaging, labelling, and so on.

I hope this is not the case in this instance. I hope the minister and his officials will not allow the tire and automobile manufacturers, as well as the dealers, an inordinate length of time in which to abide by this legislation. That is not necessary. I hope it is mandatory at a very early date. I hope also that the public will realize that tires may cost a few dollars more but consumers will get a better quality tire. I hope they realize that in fact they will get their money's worth, because until now, on too many occasions and in respect of too many kinds of tires, even when people bought the best tires they were not getting their money's worth but, rather, were being conned into cleaning out the tire inventory of some manufacturer and were receiving inadequate and unsafe tires.

I hope not only that the bill passes quickly, but is enforced quickly and that we do not move in the way we have on many previous occasions and allow these people to make excuses and request an inordinate length of time in which to abide by the legislation. They always have been able to move quickly when it has suited their purpose. Now we want them to do so in order to suit the needs of the consumers of automobile tires in Canada.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, the tire distributors in my area have expressed up until just recently very serious concerns and reservations concerning the very heavy onus and responsibility that would be placed upon them. I am pleased to see that the government has withdrawn the pertinent sections which would place the responsibility for registration and recording upon the small businessmen who already, as hon. members of this House know, are overwhelmed by the daily pressure to provide bureaucratic information that must cross their desks and which subsequently ends up in some remote area of Ottawa. So certainly there was an enormous sigh of relief or of well-being from the automotive dealers and the industry concerning the subject of registration.

I recognize the advantages involved in the registration of tires. I recognize the fact that now the responsibility will be on the consumer to fill out the proposed registration card and send it to the tire manufacturer. I wonder how many Canadian consumers will in fact bother to fill out the registration card. I suppose it will be similar to the situation in respect of the filling out of warranty cards in relation to electric frying pans, toasters, and some of the other commodities on the market which have a warranty. Some people are very assiduous and faithful in sending in the warranties—they protect their investment—while others simply ignore the warranty. The peril is then with the individual. The responsibility is on the individual to

respond by sending in the registration card to the tire manufacturer.

I was interested in the remarks of the hon. member for Brome-Missisquoi (Mr. Grafftey) when he expressed concern about drivers who overload their cars. He referred to the high percentage of people who drive on the highway with overloaded cars. I suppose this is a matter of public information, just as is the matter of seat belts. There are those segments of the public who readily appreciate they have four objects on their cars which sometimes revolve at a very high rate of speed. These people realize that their tires can be responsible for their ultimate destiny instead of their ultimate destination. On reflection, however, I think it will be found that the majority of Canadians simply do not worry about how much air pressure they have in their tires. About the only time they have their tires inflated is when they switch from summer tires to winter tires, or from winter tires to summer tires, or if a tire becomes soft and this affects the steering of the car.

A person driving a car rarely looks at his tires. Possibly if he takes the car in for an oil change or a grease job the service station attendant, if he is interested, will draw the attention of the owner to a bad cut in his right front tire, or a developing bulge, or whatever the case might be.

When we review the statistics of automobile accidents and the contributing causes, and when we read about a serious accident, it is not uncommon to find that the owner of the automobile has been fined for driving with bald tires. Let us not lay all the blame for faulty tires on the manufacturers. It does not matter whether the owner of an automobile buys the most expensive tires or the cheapest; if he does not look after the tires, that is his fault and is certainly not the fault of the manufacturer.

The driver of a car tends to take the tires for granted. I can speak with some measure of authority on this subject because for some ten years I enjoyed the hobby, which turned out to be a rather expensive hobby, of amateur racing. To me and to my fellow drivers the tires were vitally important. I am amused by the advertising I see today concerning radial tires. I can remember the time when the general public did not know what a radial tire was, although at that time they were readily available, particularly to those involved in racing.

Although I do not wish to give a commercial at this point, I might say that the Englebert, Pirelli and the Michelin tires were excellent. Although I shall not give a commercial for the manufacturer, I can recall one set of tires on which I never succeeded in wearing out the tread. The sidewalls finally gave out before the tread. After hours of continuous racing I inspected those tires and they looked as if they had never been off the showroom floor. It is possible for a manufacturer to engineer tires, not for eternity but certainly of a very high standard and quality, just as it is possible to engineer tire obsolescence. It is the same thing with any other product on the market.

● (1550)

Finally, there is a concern which has been voiced today by one hon. member with reference to the quality of the tires installed on new cars. I have another concern which I think at some point down the line needs the attention of the Department of Consumer and Corporate Affairs, and that is with reference to the advertising we see for automobile tires. Is the tiger claw better than the rain tire? What is a tiger claw tire? Is the tire which costs $49.95 much better than the tire costing $39.98? One can go into a service station and find a variety of prices for a variety of qualities of tires with a variety of trade names. One can drive up the street to another service station which is handling another line and be confronted with the same thing.

I hope the Department of Consumer and Corporate Affairs, or perhaps the tire industry itself, will decide not to try to confuse the public quite so much and will tell the public that there is a good tire worth so much and a cheaper tire worth so much, which is not recommended but would be all right for a little old lady who drives around at 20 miles an hour. I hope they will tell the public that there is a medium priced tire which is fine for lighter automobiles and small compacts. There is such a variety of choices that it must boggle the mind of the consumer. Surely they must think about the cheapest and go for the lowest quality, or about safety and go for the highest quality. I wonder sometimes if the most expensive tire is really the best tire, in terms of quality, handling and being best for a particular automobile. The radial tire is a great innovation, but there are certain cars which do not handle as well with radial as with conventional tires.

There are many areas which could be examined by the industry. It should not have to be done by the government. Perhaps Senate Bill S-8 will act as a guideline and an incentive to industry to address itself more seriously to the matters of which I have spoken. I note that the bill will be going back for possible amendments. I have noted a couple of clauses which I have some reservations about, for example, the one dealing with the degree of latitude for inspectors. The bill is a little overgenerous with regard to the actions of inspectors and how much freedom they may have. However, the basic thrust and intent of this bill, together with the amendments of which we have been assured by the government, make it acceptable. I compliment the minister and the government on its introduction, and that is something I am not very often inclined to do.

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, at the outset of my remarks I should like to give credit where credit is due, and when speaking about Bill S-8 we ought to compliment the members of the other place for the work they have done in bringing forward this legislation. Many times that part of the institution is discredited and maligned across the country, and I think this is an appropriate time to give it the credit which is due.

I am reminded of one of my favourite columnists of the Vancouver *Province*, a man by the name of Eric Nicol who, when he was reflecting on the appointment of the latest member of the other place, said: "This appointment gives new stimulus to the debate on whether there is life after death." However, when he referred to this chamber he said: "The House of Commons, in contrast, raises the question whether there is life before death." I suspect that that is a relevant question every once in a while.

This legislation gives us some heart and some encouragement with regard to the good, productive work that is done in the other place. In conjunction with that, I must compliment the members of the other place on the background

work they carried out in order to make this bill as relevant and meaningful as possible, and on the fact that they conducted hearings in order to bring forward the evidence necessary for the drafting of this legislation and for making sure it is in line with the needs of the industry and the needs of the economy.

While I am not usually the first to compliment the government, in this case I compliment them for having broadly consulted the industry regarding what ought to be included in this legislation. We on this side and, I am sure, hon. members opposite have often tried to encourage the government to seek more advice from those who know best with regard to what kind of legislation would be helpful to the economy and to the benefit of the consumer in this area. There have been a good many who have already raised the issue of the kind of bureaucratic paperwork which would have been involved in the administration of this legislation should it have passed in its original form. That kind of discussion and debate brings me to a second point. I should like to pay a compliment to the government for listening to opposition from within its own ranks and from across the chamber to the extent that it is now willing to introduce an amendment which will, by and large, eliminate that kind of bureaucratic paperwork.

I have received representations from the retail industry in my riding. These people were very concerned about the onerous work which would have been involved in processing the registration of tires as outlined in this bill in its original form. I shudder to think of the great amount of paperwork which would have been involved and the cost which would have been passed on to the consumer had the legislation passed in its original form. So I sincerely compliment the government on the way it has responded to criticism in this regard.

However, there are still two areas I should like to bring to the attention of the minister and the government in which they could help the industry; and by helping the industry I believe they would help consumers. I think it would be helpful if the government gave some sense of assurance and security to the industry regarding its own future in relation, for example, to tariff duties or import duties. I have some statistics regarding the net balance of the import and export of tires. I note that between 1967 and 1974, a period of eight years, the import of tires increased fourfold. Granted, the export has also increased.

However, it seems to me that if the federal government really wants to help indigenous industry in Canada, it could do so, not by wholesale protectionism and raising tariff walls around the country, but by at least making sure that the industry knows where it is in terms of the tariffs which would exist. If the tariffs are going to fluctuate between 17 per cent and 12 per cent, the industry will never know where it is and will never know how to plan the future. The government would be doing our economy a great service if it gave the industry some kind of assurance that it could anticipate the level of protection it will receive in the way of tariff duties.

● (1600)

I should like to refer to another area which has already been mentioned by the hon. member for Kootenay West (Mr. Brisco), and that is advertising. I am sure it is common not only to the tire industry but to many other industries that a great deal of misleading advertising goes on—not so much outright lying about the quality of the product as the creation of a climate of "buyer beware". Some years ago I worked in a gas station and I was confused about the quality of tires I was selling to unsuspecting buyers. The company had a premium tire which was the top of the line, but not many years later it came out with a deluxe tire. It was up to the sales agent to make sure the buyer understood that the premium tire was no longer the top of the line, but the deluxe tire was. Then they produced a super deluxe tire. Again, it was a case of "buyer beware". Was the super deluxe the top of the line, or was a radial or steel belted tire better than the super deluxe?

I know the Minister of Consumer and Corporate Affairs (Mr. Ouellet) has done a considerable amount of work to try to stop this kind of misleading advertising in all industries. There should no longer be a "buyer beware" atmosphere in the marketplace. I realize we cannot always take the buyer by the hand and make sure he is not going to get hurt; he has to exercise some intelligence and independence in the marketplace and be responsible for his own purchases—but he should not be subjected to misleading advertising.

In closing, Mr. Speaker, I commend the government for introducing amendments that I believe will greatly improve the tire industry. I should like the government to entertain suggestions that in my opinion would give the industry a better sense of security in planning its direction and providing the kind of industry that Canada deserves. Also, the unsuspecting consumer should not be left to the devices of the advertising agencies of tire manufacturers when faced with the classification of tires.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am pleased that the other place introduced this bill concerning vehicle safety by designing a trademark for Canadian-produced tires. I am pleased to see that on the "Canadian approved" label there will be included several other pieces of necessary information. One is the ply rating and what it means, and the other is the class of tire—premium, first-line, second-line or whatever. Thus, the buyer will have a yardstick and will know whether he is getting a bargain.

I agree that it was not fair or reasonable to leave the registration of tires in the hands of the corner service station but, rather, to leave it with the manufacturer. The information will be on the warranty returned to the manufacturer, and recalls can be made in an orderly manner. Changes of address and other things will be recorded by the manufacturer, who will have on hand the machinery to check vehicle records and ascertain who owns the tires if recall should be necessary.

The legislation covers two points of prime importance. In many cases I do not think the manufacturers were very honest in the manner of advertising tires. A few years ago most tires were classed as equal; the 4-ply rating was listed as a 2-ply tire. Two-ply tires were put on almost every new car in the country by the manufacturers of automobiles. In my opinion, that was risking the safety of everyone who drove on those tires. It was all very well in the city to use a 2-ply tire, although if you ran over a broken bottle or a small stone it was disastrous. In rural areas, however, with

gravel roads the tires were a hazard. They lasted for only 10,000 or 12,000 miles. In my opinion, the public was being cheated by manufacturers who indicated that a 4-ply tire rating was being provided with a 2-ply tire. Under most off-highway driving conditions that was not true and the tires had to be replaced in a short time.

I know that some large companies in the automobile business sell tires which are classed as seconds. Perhaps there is a flaw in the tire which is repaired to meet certain standards, but still they are seconds. It will now be very difficult for a manufacturer to put a label on those tires that will tell the consumer they are second-hand tires, repaired tires or seconds in terms of some defect. As I read the bill, there are no provisions covering the sale of those tires. A large number of tires are culled by the tire manufacturers and sold through hardware stores or automobile stores. They are sold as loss leaders. However, this legislation will not guarantee that they will meet safety standards.

● (1610)

I shall now deal with radial tires. Long before domestic or North American manufacturers produced radial tires, European manufacturers of good reputation were making high quality radials. Now they are available in this country. You can get ordinary radials or steel belted radials. At one time, domestic manufacturers pretended in their advertising that non-radial tires were better than radials. We know that this is not necessarily true. For a long time North American manufacturers were reluctant to admit that the manufacturers of other countries made tires superior in safety and over-all quality to tires made in North America. I suppose Canadian and American manufacturers want nothing to do with a process they cannot control.

Now, of course, we manufacture radial tires. It is generally agreed that for certain drivers, certain automobiles and certain driving conditions, steel belted radials are best, as their performance is sometimes superior to that of other tires. Not all drivers like radial tires as they react differently and do not corner like conventional tires. Some say that the safety record of radials is superior to that of conventional tires. Personally, I do not like steel belted tires; this is just my own preference. I am not used to the way a car corners with them and find that a radial tire equipped car handles somewhat differently. But that is by the way.

I suggest that the government should institute a method for rating the safety of tires imported into this country. Foreign tire manufacturers ought to meet safety specifications laid down by the government, and consumers ought to be made aware of those specifications. As new tires are developed, new standards and specifications will also need to be developed to protect consumers.

This bill will not affect retreaded tires. It says nothing about the state of casings or when tires may safely be retreaded. Often a small manufacturer retreads tires in a small factory. The provincial motor vehicles branch exercises little control over him. Surely we should introduce standards for retreads. For instance, how does one know how well the retread will stick to the casing? The retreading process involves great heat and in my opinion no tire should be retreaded more than twice. The original casing should not be used for a third retread. Unfortunately, buses in my area use tires which have been retreaded three or more times. They ply the public highways on unsafe tires, often at unsafe speeds, and constitute a hazard.

Commercial vehicles also use retreads. How many members of parliament have driven behind a truck loaded to the limit and bouncing all over the road on retreaded tires? You know that it will not be long before some of those tires are spread all over the road—and you hope you are not behind the truck when it happens. I sometimes see two or three of the eight or ten wheels of a commercial vehicle out of alignment and out of balance. Sometimes these trucks are driven in a way not conducive to safety.

As retreads play an important part in truck operations, the government ought to establish standards governing the safety of retreads. I suggest that there should be stamped on such tires the original date of manufacture and the date of subsequent retreads. Then anyone could tell at a glance the history of the tire and judge how safe it was. Tire manufacturers should be made responsible for their tires. There is not much point in asking service station operators to report on the conditions of tires; they have enough work to do. As for the average motor vehicle inspector, unless the truck is 15 years old and needs a paint job, he is not likely to look at the tires.

Provision should be made for records of tires to be kept as many commercial vehicles drive coast to coast on retreaded, revulcanized tires. I suggest the government ought to consider this matter. I have never thought manufacturers should be the arbiters of safety standards and I am not willing to allow them this decision. I am, therefore, pleased to see language in this bill whereby manufacturers and the federal government jointly will establish standards for Canadian and imported tires. Standards will be arrived at in co-operation between the industry and the federal government. This is essential, because there are many new cars on the road today that are not very safe. Many of them I would not consider buying or even accepting as a gift. I could name some of them. However, anyone who drives them knows their defects and unsafe condition; they are fairly apparent. In some cases the motor is too big for the body, or the tire size is too small for the weight of the vehicle.

● (1620)

As the hon. member for Brome-Missisquoi (Mr. Grafftey) mentioned, this problem with regard to safety has not been met by the manufacturers. Tires installed on new cars are overloaded. One need only go back a few years when 2-ply tires were installed on new Chevs and Fords. You endangered your life by driving on a gravel road. I am sure many members could state unfortunate experiences they have had with 2-ply tires in rural communities. In other manufacturing fields as well, certain standards were set which the manufacturers considered safe, but they did not pass the standards of anyone else. The work of the motor vehicles branch should be extended considerably. This bill is a worth-while start.

No member should leave here thinking we have solved the automobile tire safety problem without considering the other two problems to which I have referred, retreads and substandard tires rejected by the manufacturer as top line

tires. They are repaired and put on the market as seconds even though they are in new condition as far as the tread is concerned. Hopefully, all members, including those in the other place, will pursue this matter of safety and give consideration to these other two fields. Anyone who has driven an automobile is well aware of the fact that if you do not have safe tires, you not only jeopardize your own safety but that of everyone else.

I congratulate the Senate for the work they have done in this field, and the members of the committee who studied this matter in depth and suggested these changes. I hope those considering the question of safety will continue their vigilance and will provide the manufacturers with more stringent safety standards which they can and must meet, thereby ensuring a higher degree of safety for the motoring public of Canada.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I must commend the Senate for putting Bill S-8 before the House because it is a very important bill.

Nearly everything has already been said on the matter but I want to support the arguments made by those who spoke before me, particularly on the aspect of road safety. Statistics tell us that 16 to 18 per cent of road accidents are explained in part by the fact that a tire manufacturer recommends a certain size of tires, a certain type of tires guaranteed for so many miles, for example, in all safety, but after half of the mileage announced in the papers the tire is nearly worn out, that is the tire is no longer safe.

I am talking here about the category of tires that sell for $20 to $60 depending on the place where you buy them. That is quite amazing. As to a similar tire, of the same size, you do not know whether it is a tire that was repaired or retreaded, and it is sold for $20 to $60. Those who cannot afford to buy a tire at $60, or who are misinformed, could pay a tire $20, $22, $23 or $26, particularly in those retail chain outlets. I have no grudge against chain stores but I want to point particularly at the manufacturers who supply those chain stores, when they put ads in papers which mislead the consumer by offering him a $60 tire for $23 or $24 and alleging that it is of the same size and the same quality as the $60 one.

We also have that category of tires, the same category of tires that we would call reinforced nylon. Those types of tires are not balanceable. The evidence is there. I used some from different groups and those tires are very difficult to balance and they need to be balanced every 10,000 miles. If you do not have the time, the steering mechanism becomes disaligned. Yet those tires were paid a high price, about $55, $58 a tire depending on the company, and the consumer is misled on top of that. I was misled like others. That is why I think this bill comes at the right time and I would urge the government to be increasingly strict in this regard.

Also, I would not want to end my remarks before drawing the attention of the House on that question of retreaded tires, particularly on commercial vehicles. Mr. Speaker, many members have driven on highways like me. Certain tires have treads that come from trucks or buses, large treads up to two, three or four feet long and quite large. That tread comes off the carcass of the tire, and I think this is a cause of accidents, particularly if it is raining. If this tread comes off the casing of the tire, I believe it only means that such a tire should not be put back on the market. Either the company which retreads it is incompetent, or there is not enough control in the matter.

Those are the comments I wanted to make to the House; they show that there are more road accidents and, consequently, increases in motor vehicle insurance costs, not to speak of the many injuries and inconveniences.

I would also like to congratulate the sponsor of the bill. I know that the Senate made the first steps and that the government keeps heading in that direction, which I believe is the right one. Since cars are faster and faster due to the increasing number of horse-powers, tires must ever be stronger. We must also take into account the sudden changes in temperature that we have in this country.

I think the government is heading in the right direction and they should make it more and more difficult for a manufacturer to put tires on the market, so that consumers should not be deceived.

• (1630)

[*English*]

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I had not originally intended to take part in this debate, but I felt moved to address a few remarks to this legislation for a couple of reasons, one which is personal in the sense that I should establish the fact that the member for Saskatoon-Biggar has been in his place trying to be recognized in the question period for a couple of days, and just to remind Mr. Speaker that it is possible to recognize me even in the course of an important debate such as this one. The second one is, of course, the fact that the minister responsible for this particular piece of legislation is my friend and colleague from Saskatoon-Humboldt (Mr. Lang), and somehow I feel compelled to stand and address myself to legislation for some reason whenever he is involved in it, because of my friendship and admiration for him.

The fact of the matter is that I am not addressing this particular legislation as an expert on tire manufacture, as is the case with some of my colleagues, but rather as a consumer with some interest, which I am sure is shared by many members in this House, in the area of automotive and automobile safety, motor vehicle safety, and in this case motor vehicle tire safety.

Mr. Speaker, I think this piece of legislation is complementary to existing legislation on the books now, the Motor Vehicle Safety Act. In other words, there is great similarity between the provisions of this particular bill and the provisions of the Motor Vehicle Safety Act itself as far as certification of acceptable safety standards, in this case tires, and, in the case of the act, motor vehicles generally. I would like at this time to commend the minister for his flexibility with respect to representations that have been received in connection with this legislation.

I would also like to commend my colleague, the hon. member for Halton-Wentworth (Mr. Kempling), for the particular initiative he has taken in this case to try to bring forward some amendments, some changes to the legislation that are rational and reasonable. The result, I think, will be to remove a very heavy obligation on the

average, small, tire businessman and to place that obligation with respect to tire safety more in the hands of the tire manufacturer.

I think we are all in agreement that this is a worth while and very valid point that has been taken by my colleague, the hon. member for Halton-Wentworth, and the ministry has seen fit at this point in time to accept the suggestion and to indicate by correspondence to the member its intentions to bring forward amendments to the legislation.

I would like to address myself to two aspects with respect to this legislation because of the similarity that I see between this bill and the Motor Vehicle Safety Act. Possibly when the minister is closing the debate on second reading and responding to the inquiries and suggestions made during this debate he will also be good enough to elaborate on whether or not my apprehension is well founded, or whether provision has been made to avoid a pitfall which may be contained in the bill. I have been in correspondence with the minister in respect to some complaints on particular defects that I have received with reference to the Motor Vehicle Safety Act, of which the minister, I am sure, is aware.

I raised with the minister at that time an inquiry as to the operation of that act because it was, quite frankly, not clear to me whether the act was being interpreted in accordance with my reading of it. The complaint I raised with the minister was that the only motor vehicle defect which is considered by the Ministry of Transport or the appropriate agency of the ministry was of such a nature that the operator of the vehicle would not have reasonable warning of the defect.

In other words, if I understand the correspondence which I have had with the Department of Transport in this area, it was the case that the defect was one which must make itself obvious or apparent and of which the driver or owner was or should have been aware, before the agency of the department involved in defect investigation would be seized with jurisdiction and responsibility. The extent to which this interpretation might apply is rather questionable. The example I presented to the minister was one of alleged defects in the steering mechanism, and the response I received from the Department of Transport was that because of the fact there should have been, and from their investigations usually was, a cracking sound in the steering mechanism, this should have put an operator on guard for defect. Therefore, this was not the kind of defect they would normally concern themselves with.

It seemed to me, on the basis of that response from the department, that I should first get clarification from the minister of the interpretation and, second, if that in fact is the case, I had made a representation that I thought the department should concern itself with defects regardless of whether or not a prudent man might in fact have noticed something wrong with the vehicle. The same questions would apply with this tire standards bill. If there is any defect at all with respect to a tire or a motor vehicle, it seems to me there should be an investigation. If a defect is reported to the department, there should be an investigation and appropriate action taken, regardless of whether it is the kind of defect an operator might have prior notice of in the normal operation of a vehicle or, in the case of a tire, in the way in which the tire seemed to operate on the vehicle.

I would appreciate very much at this point in time, and possibly in anticipation of a letter which I will receive in due course—or if the minister is going to address himself to this bill on second reading to close the debate—if he would simply clarify that point which I now raise and possibly enunciate the department's official policy with respect to the reasons for such interpretation, or his concurrence that some change should be made to this legislation and the legislation respecting motor vehicles.

I want to go back, if I may, to the amendments that are apparently being suggested to this legislation by the minister. It seems to me there is no complaint about the standards and the certification aspects of the bill. Apparently they have received the approbation of the Rubber Association of Canada which speaks on behalf of the tire manufacturers in our country, and therefore there seems to be general acceptance of the main part of the bill. As I say, I am glad to see that there was a reasonable amount of flexibility shown by the department by agreeing to change the provisions of the bill whereby every dealer would be required to keep detailed records of sales and certification requirements.

This would, of course, place a very substantial burden on the small businessman and there are many thousands of small entrepreneurs across our country who, Lord knows, have enough facing them as it is. I think those amendments are worth while and are worthy of our support, in effect providing for the consumer a form that can be submitted to the manufacturer. The matter of registration can be taken care of in this manner, as is done in the case of many other appliances, utensils and commodities of every description.

● (1640)

I want to indicate, on second reading, that I fully support the intent of this legislation. Anything we in parliament can do to increase the safety aspect of motor vehicle operation will receive our almost unanimous support. Our comments here are meant to be of a constructive nature so we have the best possible legislation, and I trust suggestions from the opposition will be accepted from time to time since we have such outstanding and vigilant members as the hon. member for Halton-Wentworth, who has brought forward rational and sensible proposals for the government on each occasion I have heard him speak.

In conclusion, may I indicate to the House that my investigation of this matter has indicated that we have a very good record as far as the Canadian tire manufacturer is concerned. That is to say, there is very little evidence of a serious tire defect problem affecting the safety of our motor vehicles, and the industry is to be commended for this. But that is not to say that we should not in fact be vigilant in the interests of the average citizen who operates a motor vehicle. A growing number of our population drive motor vehicles. Apparently something in the vicinity of 80 per cent of all travel in Canada is by motor vehicle.

I understand it to be the case that these standards will apply not only to our own domestically manufactured tires but also to tires that are imported. I also understand that tires imported into Canada account for something in the

vicinity of 50 per cent of all tires sold in Canada. I think another reason the bill should be supported is that it is desirable that we have a uniform standard of tire regardless of the place of manufacture, a responsibility which is placed upon those who bring tires into this country for sale.

Certain members on the other side are now indicating that they wish me to speak for another five minutes. I am hesitant to do so as I feel I have made the contribution that I wished to make. I close by commending my colleague from Halton-Wentworth, and also the Minister of Transport for his approach to this particular legislation. May I thank you, Mr. Speaker, for your indulgence in hearing my point of view on this very important matter.

Motion agreed to, bill read the second time and referred to the Standing Committee on Transport and Communications.

* * *

VETERANS INSURANCE ACT AND THE RETURNED SOLDIERS' INSURANCE ACT

MEASURE TO PROVIDE SETTLEMENT OPTIONS

Hon. Daniel J. MacDonald (Minister of Veterans Affairs) moved that Bill C-86, to amend the Veterans Insurance Act and the Returned Soldiers' Insurance Act, be read the second time and referred to committee of the whole.

He said: Mr. Speaker, it is my pleasure to move second reading of Bill C-86, an act to amend the Veterans Insurance Act and the Returned Soldiers' Insurance Act. These two acts are perhaps less familiar to hon. members than some of the other statutes embodied in the veterans' charter. Because of this, Mr. Speaker, it may be useful for me to describe very briefly their purpose and scope.

Parliament enacted the Returned Soldiers' Insurance Act and the Veterans Insurance Act to provide access to life insurance coverage primarily for veterans not able to secure this form of economic protection for their dependants through commercial carriers. Eligibility under the legislation, however, was not restricted to those faced with that difficulty and insurance coverage was available to all veterans.

The Returned Soldiers' Insurance Act provided coverage of up to $5,000 for veterans of World War I. Approximately 48,000 policies were issued between 1920 and 1933, representing a face value of just over $109 million; 2,500 policies remain in force with a face value of $5½ million. Some 18,000 contracts have been settled as death claims and a similar number for their cash surrender value; 9,000 contracts have been terminated for other reasons.

The Veterans Insurance Act, which applies to veterans of World War II, received royal assent in August, 1944. This act provided coverage of up to $10,000. As with several other legislative provisions for veterans, October 31, 1968, was established as the closing date for applications for the issue of policies; 56,000 contracts were entered into, providing $185 million of coverage; 19,000 policies, for a face amount of over $60 million, now remain in force; just over 9,000 policies have been settled as death claims; 23,500 were surrendered for their cash values and 4,200 were terminated for other reasons.

I turn now, Mr. Speaker, to the bill before us. Its purposes are, first, to change the manner of insurance settlement as policies mature through the death of the insured and, second, to bring the two insurance statutes into harmony with other social legislation concerning common law unions. Some hon. members will recall that they have received representations about these matters from constituents who are either policyholders or beneficiaries. I am pleased to have had these representations brought to my attention by those hon. members. Similar representations have been made directly to me and to officials of my department. These proposed amendments are the government's response to that very clearly identified need.

Specifically, the first amendment provides an option in the manner of settlement of insurance claims which is not available now to the insured veteran or to his beneficiary. It permits a policyholder to elect to have full policy proceeds paid in a lump sum to his beneficiary or beneficiaries on his death. This option is also extended to the beneficiaries who will also have the choice of taking proceeds in a lump sum or as an annuity at the time the policy becomes payable. As the legislation now stands, immediate death benefit may only be paid up to $2,000, with the balance paid as an annuity. The only exceptions to this manner of settlement are those cases where policy proceeds are not greater than $3,000 for each recipient. Under these circumstances, proceeds may be paid in a lump sum at the request of the beneficiary and with the consent of the minister. It will be clear to hon. members that this amendment recognizes that policyholders and beneficiaries are the best judges of the type of policy settlement which meets their particular needs most effectively. The government considers that the current legislation inhibits the freedom of choice of those directly affected by it.

● (1650)

The second amendment permits the recognition of a common law spouse as the beneficiary of an insurance contract. As hon. members know, similar recognition of common law unions has already been incorporated into other social legislation, including the Pension Act and the War Veterans Allowance Act. The bill provides that a common law spouse designated by the insured as the beneficiary of his insurance policy may be paid the proceeds of the policy if the couple have resided together and have publicly represented themselves as man and wife for a period of at least three years where there is a bar to their marriage, and at least one year's duration where there is no such bar. This change in the legislation enables compliance with the expressed wish of the insured with respect to disposition of the proceeds of his insurance policy. This is not possible under the present legislation.

If parliament approves the bill now presented, my department will inform all policyholders and annuitants under both acts of the implication of the changes and will provide ample opportunity for present contracts to be adjusted as desired.

Mr. Speaker, before I close may I say, as has been said on previous occasions, that all hon. members of this House have consistently shown a high level of interest in veter-

ans' legislation and in ensuring that the contribution made to the national interest by those we refer to as veterans is adequately recognized. I believe that the bill before us reflects that concern of this government and of this House. I hope the House will ensure speedy passage of this bill for early incorporation in the veterans' charter.

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, it gives me pleasure, on behalf of the official opposition, to speak in support of Bill C-86 as presented by the Minister of Veterans Affairs (Mr. MacDonald). This is a routine bill to amend the Veterans Insurance Act and the Returned Soldiers' Insurance Act. It will allow insured persons and beneficiaries to opt for certain variations in the manner of payment under contracts of insurance. It will also deem designated beneficiaries, under prescribed circumstances, to be surviving spouses of the insured.

As the acts now stand, payment to a beneficiary under an insurance contract is as a lump sum not exceeding $2,000 with the remainder, if any, payable in some form of annuity as decided on by the insured person. The amendments in Bill C-86 would give the insured person the option to decide that the beneficiary should be paid the full face value of the policy or a lesser amount with the remainder to be paid in some form of annuity as decided on by the insured person.

Additional amendments in Bill C-86 give the beneficiary the right, after the death of the insured person to opt to be paid the commuted value of all future annuity payments in a lump sum or to opt for some other combination of lump sum and annuity payments. In other words, the beneficiary can, after the death of the insured person, alter the terms of payment of the policy. I think this removes the rather paternalistic way in which the act has had to be administered in its present form. It has been sort of a "father knows best" situation, a situation in which only the department knew how these benefits should be distributed. I think a realistic approach has been taken in respect of this change. I think it is a realization of the fact that the veteran's beneficiary has better knowledge of the financial situation in which he or she may find themselves after the death of the insured.

Clause 4(2) and clause 6(6) amend the acts for the benefit of common law spouses. We know the officials of the department have run into some difficult situations where the surviving spouse has perhaps lived with a veteran for up to 30 years as man and wife, but on the basis of the present legislation was deprived of benefit under the act. These amendments, as I say, provide that an insured person may designate as a beneficiary, as if that person were his spouse, someone with whom he had been living immediately prior to his death for a period of not less than three years if a previous marriage of one of the persons prevented their remarriage, or not less than one year if there was no prohibition against their marrying. This provision—I think this is an important aspect—is subject to the discretion of the minister who must be satisfied that the two lived together and represented themselves as man and wife. A new amendment to the acts would allow payment to be made to the deemed spouse even if the insured misrepresented his relationship to that spouse.

I think this clause which gives ministerial discretion is a mechanism to correct any obvious injustices arising out of a common law relationship and greatly changes the position of a surviving spouse of a legal marriage. There has been some question about this, but it seems to me that the ministerial discretion here is most important. I am sure the minister will exercise the proper discretion should some dispute arise between the spouse by a legal marriage and the common law, surviving spouse. It appears that nothing in this legislation affects the validity of any payment of insurance money made to a beneficiary under the terms of the Veterans Insurance Act of the Returned Soldiers' Insurance Act prior to the coming into force of this new act.

This bill allows greater flexibility to both the insured person and the beneficiary in respect of how insurance should be paid. It also meets the case of common law spouses. We in the opposition see no reason to oppose passage of this bill. The members of the official opposition who are interested in this legislation have discussed it with veterans. I can indicate to the minister that there will be no opposition to its passage. I assure the minister we will give third reading to the bill this day or, I might say, at this hour.

Mr. Knowles (Winnipeg North Centre): Five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It being five o'clock, it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment this evening are as follows: The hon. member for Calgary Centre (Mr. Andre)—Government Administration—Alleged discrepancy between item in estimates and in pamphlet "How your tax dollar is spent"; the hon. member for Winnipeg North (Mr. Orlikow)—Research—Suggested reconsideration of freeze on funds; the hon. member for Surrey-White Rock (Mr. Friesen)—Penitentiaries—British Columbia—Request for report on seizing of hostages.

Before proceeding with private members' hour, I indicated earlier that I had hoped, on the point of order raised by the hon. member for Red Deer (Mr. Towers) concerning the difficulty with regard to Bill S-10, I would be able to come back at this hour with a decision. It will not, regrettably, be possible to deal with this matter until tomorrow.

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker. When I called it five o'clock, I hope it did not sound as though I were disagreeing with the hon. member for Norfolk-Haldimand (Mr. Knowles) when he suggested that we could dispose of this bill in this hour. If the House would like to suspend private members' business in this hour to deal with Bill C-86, I should be quite happy.

● (1700)

Mr. Reid: Mr. Speaker, I would be prepared to surrender private members' hour if the House would set another time to provide me an opportunity to proceed with my bill, Bill S-30.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, yes, we agree.

[*English*]

Mr. Speaker: I have all the ingredients of a very incomplete agreement. Everyone seems to be agreed that this hour might be used to proceed in the suggested manner, provided the hon. member be given another hour to proceed with his bill. I do not know how that can be agreed with any degree of certainty. The battle lines having been very clearly drawn on this matter one week ago, it is evident that private members' hour today should, and will, be used to discuss further the bill regarding the bank incorporation which was before us a week ago.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills.

PRIVATE BILLS

[*English*]

CONTINENTAL BANK OF CANADA

The House resumed from Thursday, February 26, consideration of Bill S-30, to incorporate Continental Bank of Canada, as reported (with amendments) from the Standing Committee of Finance, Trade and Economic Affairs.

Mr. Speaker: We are now resuming discussion on the point of order raised by the hon. member for Kenora-Rainy River (Mr. Reid) which, at the request of the Chair, was held over until today and on which the hon. member gained the floor at about three or four minutes to six last week.

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, the hon. member for Waterloo-Cambridge (Mr. Saltsman) has placed on the order paper a series of amendments for discussion at the report stage. I want to discuss the impact of those amendments as a whole because in point of fact their net effect is to express an expanded negative to the general principle of the bill before us, Bill S-30.

The point I want to make is that the purpose of Bill S-30 is to take an already existing financial institution lawfully operating under the jurisdiction of provincial authority, and to transform that institution into a bank which would conform to the laws of this parliament and this jurisdiction. In order to be able to change the operations and the structure of that organization, operating lawfully under a particular jurisdiction, to one which could operate under the jurisdiction of the Bank Act, it is necessary to provide certain changes in order to bring the organization known as IAC into conformity with the Bank Act.

[Mr. Knowles (Winnipeg North Centre).]

The amendments proposed by the hon. member for Waterloo-Cambridge go to the heart of this change. If it were possible for the people behind the proposal to create the Continental Bank to proceed by way of a model bill as outlined in the Bank Act, they would have been most happy to have done so; but because they were taking an existing organization and wishing to transform it into an organization operating under the Bank Act, it was necessary for them to engage in long discussions with officials of the government and the regulatory agencies in order to be able to work out a transference of this organization from one jurisdiction to the other.

Therefore, the purpose of Bill S-30 is to take an already existing institution, operating under provincial law, and transform it into a financial institution operating under the Bank Act, a law of this parliament. What the amendments do, I submit, in whole and in part is violate specifically and directly the total aim of the bill, and as such can only be considered an expanded negative or an attempt to do by the back door what cannot be done by the front door.

If Your Honour wishes, I can run over the amendments and explain individually and collectively what their effect would be. I do not know whether Your Honour would like me to proceed in that way, or to deal with them all to show what their collective impact would be. It is in their collective impact that I believe the point can be shown to the greatest degree and with the least amount of doubt. If Your Honour could indicate in which way the Chair would like me to proceed, I would be delighted to comply.

Mr. Speaker: The point raised by the hon. member is one which is usually raised with respect to each individual motion, and dealing with a point of this sort in respect of all the motions in their collective effect puts the Chair in a very awkard position. It is a rather unique approach to this kind of point of order. I think the point of order raised last week by the hon. member for Edmonton West (Mr. Lambert) was of a more general nature, that is, whether there ought to be a report stage in the form it is now before the House.

However, what the hon. member for Kenora-Rainy River (Mr. Reid) is saying is that each motion, in its impact, has the effect of being an expanded negative vis-à-vis the particular subject area of that motion and technically it probably ought to be argued individually; and I suppose there ought to be a counterargument, individually, as to whether that is in fact the case. I presume, however, that if we were to do it in respect of one motion, the same argument and the same judgment would likely prevail in respect of the others.

I think, to keep the matter clear on the record, we really ought to consider, before taking the argument of the hon. member for Kenora-Rainy River, that we are really dealing with motion No. 1 and than he can put his argument in respect of that motion, I can allow counterargument and further discussion on that particular motion, and make a ruling. Then presumably my ruling, having had application to motion No. 1, might be expected to have similar application to the others, and we can lay the point aside. However, I am open to discussion.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I recognize the problem which faces the Chair, yet in

some ways we have to deal with this as a package; although if Your Honour prefers, I can deal with each one separately. However, what has to be said about each of them really applies to the entire group of motions, although with somewhat different impact.

The hon. member for Kenora-Rainy River (Mr. Reid) accuses the mover of these motions of trying to do something through the back door which would not be permitted through the front door. I think the accusation is more appropriate to the sponsors of this bill. The fact of the matter is that the Bank Act quite clearly does not permit this kind of change to take place. There is no law which permits this kind of change to take place, and therefore they have taken the model bill of the Bank Act, twisted it, turned it and distorted it, in order to create a very special set of exemptions which the Bank Act was never intended to accomplish.

Some hon. Members: Shame!

Mr. Saltsman: We are not opposed to IAC turning itself into a bank. We have not even taken a position as to whether the Bank Act itself should be altered in order to permit things of this nature to take place. What we are saying is that we do not think it is appropriate for the sponsors of this bill to drag it in through the back door in the guise of the Bank Act with amendments to the Bank Act. It seems to me that the hon. member for Kenora-Rainy River is arguing that it would not be possible for IAC to transform itself into a bank if these amendments went through, and the result of these amendments would turn the present bill into the model bill which is called for by the Bank Act.

I should like to make a technical point which Your Honour will certainly want to check into. There is nothing to prevent IAC from becoming a bank if all these amendments are accepted by the House. What is at stake is not whether IAC can become a bank, but under what conditions IAC can become a bank and whether the long-standing traditions and practices outlined in the Bank Act are to be upheld. The question is not whether IAC can become a bank, but how big a bank it can become. The assets of IAC are now of sufficient size that they can remove sufficient of those assets, convert them into a bank and continue their present operation under IAC. The difficulty, and what IAC does not want, is to break its corporate structure, the interlocking directors, and all the holds it now has.

● (1710)

Nothing in our amendments prevents it from becoming a bank. We have agreed to the formation of banks in the past. If IAC were to take part in those aspects, it could easily have a corporate structure, as does the Unity Bank and other banks. That is a technical issue that it seems to me Your Honour would want to take under advisement.

I would hope Your Honour would see the amendments as being a way of preventing debate on what is really a very important issue, or cutting short debate on what is a very important issue and a very critical question for this House; that is, whether this kind of conversion of assets, which is strictly prohibited by the Bank Act, and a fundamental change of this kind can be made through the back door by these outlandish changes to the model bill.

Mr. Speaker: Order, please. Before recognizing the hon. member for Edmonton West, I want to recall to the House that we are dealing with one rather unusual point; that all of these motions ought to be ruled out because their effect as a package is to negative the purpose of the bill. With respect, I would think the hon. member for Waterloo-Cambridge goes right to the heart of the matter in the remarks he just made; this is, the point of decision would be that so long as the effect of the amendments is to leave this bank incorporated in some way, shape or form, I could scarcely accept the argument that the effect is to negative the bill.

If it is generally agreed it remains some kind of bank under some kind of conditions, what those conditions are would remain a matter for subjective and procedural argument on the motion. If I considered all motions should be ruled out of order at the same time, the only question in my mind would be whether that would leave an incorporated entity as a bank in some way, shape or form. If it does, I would have to set the hon. member's motions aside.

The hon. member for Edmonton West was interrupted in his remarks when he asked for some direction, so I will return to the hon. member for Edmonton West and then to the hon. member for Kenora-Rainy River.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I would have been happier if the hon. member for Waterloo-Cambridge (Mr. Saltsman) had spoken to the point of order rather than to the substance of an argument in principle that he was advocating. In so far as IAC turning into a bank is concerned, that is totally immaterial to the point of order. On the point of order, if it is the allegation of the hon. member for Waterloo-Cambridge that Bill S-30 is a derogation of the model bill, then I would point to amendment No. 2 which strips the bill of any provisional directors, does not substitute any provisional directors, and therefore is in direct contravention.

Bill S-30 cannot qualify under the Bank Act. The Continental Bank could not thus be incorporated at all, in any way. Therefore, I think it is the answer to the interim argument put forward by the Chair that is the point at issue before the Chair at the present time, and that whether there is a bank incorporated, in whatever form, is not for the Chair to decide.

All I say is that the effect of motion No. 2 is not to have a bank at all. In its attempt to remove every reference to IAC it is, in effect, an expanded negative. If the desire expressed by the hon. member a moment ago is that the Continental Bank be not incorporated, then the only thing to do is to vote against the bill. That is all the question of an expanded negative is. Whether I vote one way or another is immaterial to the objective of these amendments. All I say is, what is the effect of such amendments?

I am putting myself strictly on the point of order, very narrowly on the point of order, not as the hon. member for Waterloo-Cambridge did, who argued some philosophical argument about a bank and a financial institution having grown so big it is going to do something with its assets. That has nothing to do with the point of order, in my respectful submission. He can hold his philosophical viewpoint, and that is fine, but it is for some second reading

speech which I did not hear him make, nor was that point put forward in committee. Again, it is a strange campaign to strip IAC. I say, on the point of order, every one of these amendments goes to the question of being, in effect, an expanded negative.

Mr. Reid: Mr. Speaker, I shall address myself to the very narrow point which Your Honour raised, that is, even by the carriage of all of these amendments taken as a group, with which position the hon. member for Waterloo-Cambridge and myself are in agreement, I would direct Your Honour's attention to motion No. 3 which calls for the deletion of clause 6 of the bill which reads as follows:

This act shall be construed to confer upon the bank—

That is, the Continental Bank.

—all the powers, privileges and immunities, and to subject it to all the liabilities and provisions set forth in the Bank Act, except as provided in the Bank Act or in this act.

If that particular motion were to carry, then there would obviously be no bank possible as a result. As the hon. member for Edmonton West has pointed out, this is perhaps also the case with motion No. 2. The hon. member for Waterloo-Cambridge raised the question dealing with the transformation of IAC Limited into the Continental Bank and the way in which one can proceed. That is another point of order which I should like to argue, because there are certain problems with IAC being incorporated in one jurisdiction and not being able to make changes under the law of a further jurisdiction to submit itself to the provisions of the model bill as outlined in the Bank Act. It is simply an impossibility for IAC to be able to do that. That is a further point I should like to argue in conjunction with the general argument as to the inadmissibility of these motions as a group, if Your Honour should take that position.

I have just addressed myself to the narrow point of what would happen if this motion were carried. My submission would be that no bank can exist were motion No. 3 to carry.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in view of the preliminary opinion that Your Honour gave from the chair, it is not necessary for me to make one of my long dissertations because I strongly agree with the preliminary view that you stated. Like the hon. member for Kenora-Rainy River (Mr. Reid), I believe at this point we should confine ourselves to the narrow issue of whether this series of amendments constitutes an indirect form of negating the bill and therefore should not be allowed.

I hope Your Honour will not be cross with me if I remind you that earlier today you indicated to some of us that a ruling by Mr. Speaker Lamoureux was always a great help, because I have in my hands a ruling by your distinguished predecessor. It was given on February 13, 1969, in connection with a report stage amendment moved by the hon. member for Waterloo-Cambridge (Mr. Saltsman).

● (1720)

The main issue on that occasion was the right to move a report stage amendment to a private bill. Mr. Speaker Lamoureux ruled in favour of that, and you so ruled last week, Mr. Speaker. Mr. Speaker Lamoureux pointed out

[Mr. Lambert (Edmonton West).]

that under certain conditions he would not have been able to allow several of such amendments. He said, specifically, that if there were before the House a bill with three clauses, and if there were three separate motions moved by three hon. members to delete each of the three clauses, the Chair would have to rule that the three motions, the consequence of which would be the loss of the bill, could not be accepted. We have before us a 24-clause bill and we have not put down amendments seeking to delete every one of the 24 clauses, but only 11. The matter therefore, does not come under the ban indicated by Mr. Speaker Lamoureux on February 13, 1969.

Your Honour's predecessor distinguished, in that important ruling, between the committee of the whole stage and the report stage. He said that in committee of the whole we deal with individual clauses and a motion to delete a clause is simply an expanded negative, and therefore is not allowed. We simply vote on the clause. But at report stage we are dealing with a bill, and motions put down are motions to amend the bill. It has been clearly said, first, that report stage amendments to amend private bills are in order; second, that provided they do not constitute in themselves the total negation of the bill, they are in order.

As has been said, this is a bill of 24 clauses, but there are only 11 proposed report stage amendments. Some of the clauses are left intact and some of the clauses are to be altered. In the result, even if all the report stage motions carried, there would still be a bill. It might not satisfy the hon. member for Kenora-Rainy River (Mr. Reid) or the hon. member for Edmonton West (Mr. Lambert), but there would still be a bill.

An hon. Member: But no bank.

Mr. Knowles (Winnipeg North Centre): My hon. friend says, "But no bank." That is a point of substance, perhaps, which can be debated later. Does the status of the bank depend on this bill, or could it be a bank under the Bank Act? I am ready to admit that perhaps some of the report stage motions go too far in that they seek to wipe out quite a few clauses. For that reason Your Honour made good sense by saying you could hardly make a blanket ruling on all report stage amendments. You might decide some are out of order. Yet to be taken in by the views of the hon. member for Kenora-Rainy River and arguments that these motions should not be allowed because they involve expanded negatives would be a mistake.

As Your Honour said in your preliminary views, if these motions were put and carried there would still be a bill. That being so, it seems to me that the right of the hon. member for Waterloo-Cambridge to present these motions is established. Perhaps he would not object if you found two or three of them out of order in terms of how they fit into the total structure of the bill. I submit that he has the right to move a series of report stage amendments. Bear in mind that this is the report stage where we are dealing with a bill, not committee of the whole where we deal with clauses. The rule concerning expanded negatives does not apply and I hope, therefore, that your Honour will allow this series of report stage motions.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I believe the remarks you just made were quite to the point, but if I may, I would simply add that these amendments were brought in to preclude so to speak the establishment of the bank. I would add this in support of the hon. member for Waterloo-Cambridge (Mr. Saltsman). With due respect, I would not wish those amendments to be considered collectively.

For instance, when we met the promoters of that bank, called Continental Bank, they were somewhat reluctant to name the bank's shareholders, because already there were people holding a good number of IAC Limited shares. This was violating from the start the Bank Act. They told us they would comply with the Bank Act if there were chances the bill would go through in the House of Commons. All this speaks well for the research done by the hon. member for Waterloo-Cambridge. Amendment No. 10, bringing a new facet to his criticism, provides, and I quote:

d) by striking out lines 35 to 47 at page 11 and substituting the following therefor:

"The persons who are the directors and officers of IAC Limited on the coming into force of this Act shall be considered to have been duly elected or appointed in accordance with sections 19 and 21 of the Bank Act."

The officers now working for IAC Limited, who promoted the bill, want to protect the sponsors of the bill or the persons holding IAC shares. They did not state clearly whether they would comply with the question.

I believe all this has been partly clarified in committee, and the hon. member for Waterloo-Cambridge saw fit, because there had been no thorough clarification, to introduce this pertinent amendment which, in my view, certainly must be discussed separately.

[*English*]

Mr. Speaker: Order, please. I return to the original difficulty, the proposal of the hon. member for Kenora-Rainy River that these motions should all be ruled out of order at the same time because their combined effect would be an expanded negative at this stage of the bill. Having listened to argument, I am not persuaded that that ought to be done. The question is: If these motions pass, will there still be a bill and a bank? There is considerable difference of opinion about that, which is exactly the point. Whether the bank survives in the form which the proponents of the bill want, or in some other form, is a matter for debate and discussion. I must be persuaded absolutely that there would be no bank as a result of the combined effect of these motions.

Bearing in mind that individually each motion ought to be considered, I do not say, because all these motions ought to be considered one at a time, that I am ruling all of them as being in order. Far from it. Some of the motions may clearly offend our procedures in being expanded negatives in respect of the particular clauses to which they refer; that may be the case. But, because one, two or three motions may fall into that category, that does not lead me to conclude that I have power at this stage to so rule on all of them. To carry the argument further, if three or four motions are out of order for the reasons stated, presumably they will be set aside by the Chair for discussion and argument. That means that the remaining motions are in order within our procedures.

If the effect of this process is to reduce on the order paper the number of motions, some of which are out of order, to a smaller number all in order, then obviously that is the right course for the House to follow in this procedure. For example, to consider motion No. 1 I can hardly accept the argument that the bill would fall to the ground, or the bank cease to be a bank as envisaged by the proposer of the bill if motion No. 1 were to carry. It is in fact an excepting provision which is being taken out. That being the case with one of the motions, it is obvious that argument ought to proceed on each motion individually. Of course procedural arguments can be raised as we go.

● (1730)

I may say at the same time there has been a suggestion that a point of order will be put forward on the opposite point of view. That is because of some regulation concerning the bill vis-à-vis a pro forma bill respecting the incorporation of banks. I may give advance warning. I will hear argument and discussion on it, but I must say that if there is any merit to the argument, and I have not examined the details to see whether there is, there seems to be a fundamental difficulty with that argument in that this is an improper stage of this legislation on which to raise that kind of argument.

This bill has gone though all stages in one House and all but the last two stages in this House. It certainly seems to the Chair to be totally improper to raise general objections now to the form the bill is in. If that was a valid argument at any time it ought to have been made at some other stage rather than now at the report stage. I would certainly have to be persuaded there is some reason why this bill ought to be stopped at this stage when that argument either was not advanced at all or not advanced at an earlier stage when that kind of argument should have been considered.

Having said that, if there is any further contribution to that or any other point of order, I will be pleased to receive it. Otherwise the House ought to move on to the consideration of these motions seriatim.

Mr. Saltsman: Mr. Speaker, the point you made is one that was made to me in private by our consultant on these matters. Therefore I am not totally unaware of what Your Honour might be saying on this matter. I sometimes suspect our consultant of having clairvoyance in these matters. Nevertheless it is an important enough point that it should be raised in order to get a definitive ruling from the Chair on this matter. I regret that I did not have an opportunity to raise this at the introduction of the bill. However, it is of such importance that I want to raise it at this point and to elicit a ruling from Your Honour.

Standing Order 94(2) reads:

Every bill for an Act of incorporation, where a form of model bill has been adopted, shall be drawn in accordance with a model bill (copies of model bills may be obtained from the Clerk of the House). Any provisions contained in any such bill which are not in accord with the model bill shall be inserted between brackets or underlined, and shall be so printed.

Continental Bank of Canada

Standing Order 94(5) reads:

A brief explanatory note giving the reasons for any clause of an unusual nature or which differs from the model bill clauses or standard clauses shall be printed opposite the clause in the bill.

Schedule B of the Bank Act is, it would appear, such a model bill. It provides a blank form consisting of six sections, with blank spaces where the particular names and information which identify the particular bank which is seeking incorporation can be inserted.

If one looks at the bills incorporating previous banks such as, for instance, the Unity Bank in 1972, we find that they correspond to the model bill in Schedule B of the Bank Act in every particular.

Bill S-30, however, the act to incorporate the Continental Bank of Canada, differs from Schedule B of the Bank Act in several ways. It contains 24 clauses rather than six, and a good many of these clauses have the effect of giving the Continental Bank and its directors a series of exemptions for a considerable period of time from the normal provisions of the Bank Act. For instance, section 8(1) of the Bank Act reads:

The name of the bank, the additional name under which it is authorized to carry on business, the authorized capital stock of the bank, the par value of its shares, the place in Canada where its head office is to be situated and the names, addresses and occupations of the provisional directors shall be declared in the act of incorporation of the bank.

This is a reasonably clear statement of the requirements. However, when we turn to the bill in question, S-30, we find clause 2(1) states:

Subject to subsection (2), the persons who are the directors of IAC Limited on the coming into force of this act are the provisional directors of the bank, and this subsection constitutes a declaration of the names, addresses and occupations of those persons for purposes of subsection 8(1) of the Bank Act.

Nowhere do the actual names, addresses, occupations and so on appear in the bill. Does this not constitute a departure from the model bill, as discussed above? Yet we find nowhere, either in the bill as passed by the Senate or in the bill as amended in committee, any explanation for this lack of specific names, addresses, and so on. Does this not mean that the bill is an imperfect bill? Standing Order 69, which applies to private bills as well as public bills, reads:

No bill may be introduced either in blank or in an imperfect shape.

There is the question of whose responsibility it is to detect it at an early stage. In some ways there is a question of privilege involved as to whether it was raised immediately or at this point. That is why I am proceeding with this particular point.

Moreover, does not this lack of specific names and so on constitute an amendment to subsection 8(1) of the Bank Act? Standing Order 94(3) reads:

Where a private bill amends any section, subsection or paragraph of an existing Act, such section, subsection or paragraph shall be repealed in the text of the bill and re-enacted as proposed to be amended, the new matter being indicated by underlining; and the section, subsection or paragraph which is to be so repealed, or so much thereof as is essential, shall be printed in the right-hand page opposite such section, subsection or paragraph.

[Mr. Saltsman.]

Standing Order 94(4) reads:

When a private bill repeals an existing section, subsection, or other minor division of a section, that section, subsection or division, or so much thereof as is essential, shall be printed opposite the clause.

Bill S-30 does not appear to meet these requirements, either in the bill as printed in the form in which it was passed by the Senate or in the report stage version. Does this mean that it is not in proper shape to be distributed or discussed?

It should be noted that this is an extremely complex bill. The sponsor of the bill, the hon. member for Kenora-Rainey River (Mr. Reid), noted this fact in his second reading speech in the House. As well, the bill it seems will set several precedents. As Mr. Read, the superintendent of banks, noted in committee, the fact that a large finance company is now attempting to have itself converted into a bank is the result of government policy which has been encouraging competition in the banking system. This is the first instance of a functioning finance company attempting to incorporate itself as a bank, but we can expect, if Mr. Read's words mean anything, that there will be more.

Moreover, since this is the first instance of this particular type it will inevitably have an effect on future instances, and may have an effect on the Bank Act when it is revised in the near future. Since government policy seems to be encouraging this sort of conversion it would appear likely that some regular provision would appear in the new Bank Act.

Mr. Speaker: Order, please. I made some preliminary remarks. I do not want to stop the hon. member, but I really feel that his presentation ought to be abbreviated and not really direct itself to the basic argument. The simple proposition is that this bill is not in the pro forma type envisaged by the Standing Orders to which he referred. That is well known, well understood. It is not necessary to expand on that proposition. The question before us is, if that were in fact grounds to stop the bill at the proper stage, should it stop the bill now? If the hon. member has anything to add on that particular point I would be glad to hear it.

Mr. Saltsman: Mr. Speaker, I would like to add something on that particular point. Limited attention is paid to these private bills. This is probably wrong. Greater attention should be paid to them. There is a tendency not to pay too much attention to them when they are introduced. There is more than just a point of order involved. There is a question of privilege.

If a bill is introduced at some time, an hon. member may not be in his place or not aware of the bill, particularly if it is a private member's bill. Perhaps he should be, and Your Honour may rule that way. Does he then forfeit the right to call attention to an imperfect bill? We know that hon. members would be in this House on every occasion if it were possible for them to do so. But you have pointed out, Mr. Speaker, that you are not being asked to rule on whether it is imperfect or not but on whether at any point an hon. member can rise and say, "This bill is in the wrong draft and therefore I have a right to point this out and have it altered at any stage."

● (1740)

I appreciate Your Honour's courtesy in allowing me this rather extended period of time in which to explain my point of order, but I do think the conclusion you are called upon to reach will have important consequences and that it will affect not only the point of order but also the question of members' privileges.

Mr. Reid: Mr. Speaker, the point which has been raised about the proper timing in relation to this question is a very valid one. I do not wish to take any particular pride in what I have said in this House, but if you would look at page 9989 of *Hansard*, December 12, 1975, I think you will recognize that I devoted at least half my remarks on that occasion to calling attention to the perplexities of this bill, to the fact that it would create a precedent, and that it was an extraordinary measure. I recommended to hon. members that they should spend considerable time studying it in committee. My reason for doing so, as the sponsor of this bill, was to ensure that hon. members might have an opportunity to raise any valid objections they wished to raise at the proper time.

Mr. Lambert (Edmonton West): With great respect to the hon. member for Waterloo-Cambridge (Mr. Saltsman), his argument that he was present at the committee hearings when the bill was being voted on is self-defeating. If it had been an improper form and if he had been in possession of the written argument he is now trying to impose on the House—contrary, I suggest, to our custom because he is reading a text which obviously had been prepared by somebody else—then I suggest action should have been taken in the committee itself. We all know very well that it is possible to raise a point of order at any time with regard to the acceptability or otherwise of an amendment or a bill, or indeed of any motion which might have to be considered in debate.

If the hon. member is able to carry his argument with the Chair it would be possible for a member to rise immediately prior, say, to taking a vote on third reading and in effect to declare that the bill has been out of order all along and that the Chair has been deluded or misled into regarding it as acceptable. It would be strange, indeed, if that kind of argument could carry in the House.

The bill has been accepted by the chief Clerk of Private Bills. Moreover, the version of the bill before us in our files is not the one originally presented in the other place. I do not think the hon. member can make reference to that, because I do not think he is in possession of that form of the bill. Therefore the argument that it does not conform to a model bill when it is impossible, in any event, for a bill of this kind converting an existing financial institution into a chartered bank to follow slavishly the form of a model bill designed to apply to a bank which is starting from square one, cannot possibly be solved. Therefore it would seem to me, first, that the argument advanced by the hon. member is out of time, and second, that it fails inasmuch as this kind of bill need not slavishly conform with a model bill designed for a different situation.

Mr. Saltsman: Perhaps I might comment on the observations made by the hon. member for Edmonton West (Mr. Lambert). The argument I am making is that where those departures from the Bank Act exist they should be underlined so that all members, not only those who studied the measure in committee, may see the extent to which this bill departs from the model bill. That is the purpose of the underlining and explanatory notes which appear in other bills; where there is a departure from standard procedure it is clearly marked in the bill so that members may be aware of that departure and use their good judgment as to the wisdom of the alteration. Nothing of that kind has been done in the bill before us. It is as though it was designed to hide and obscure rather than to enlighten.

Mr. Lambert (Edmonton West): Why did you not say so in committee?

Mr. Speaker: Order, please. With all respect to the hon. member for Waterloo-Cambridge (Mr. Saltsman) he grossly underestimates the effectiveness of his opposition to the bill. I can scarcely now conclude he has in any way been limited or prejudiced in his resistance to this measure by the failure of the proponents of the bill to conform with the Standing Order to which he refers. If this suggestion were seriously advanced I might perhaps come to a different conclusion, but in fact I do have to return to the original point, which is that though his argument might have had application at some stage of the bill I am setting aside the point of order at this moment on the very narrow ground that it is now too late in the progress of the bill to raise an objection which should have been made earlier as to the original form of the measure.

Again I say that I see no indication—as a matter of fact I see every indication to the contrary—that the hon. member's objection and resistance to the bill are other than detailed and thorough. I have not examined the committee proceedings, of course, but certainly with respect to the motions which have been put down at this stage there does not seem to have been any restriction on the hon. member's ability to bring forward effective opposition. Accordingly it would seem to me that, all points of order having now been discussed and set aside, the House ought to move on to the consideration of motion No. I standing in the name of the hon. member for Waterloo-Cambridge.

Mr. Reid: Mr. Speaker, I wish to raise a point of order in connection with motion No. I and its effect on the bill, and perhaps this would be an appropriate moment at which to do so. The point I wish to raise is that motion No. 1 standing in the name of the hon. member for Waterloo-Cambridge (Mr. Saltsman) deals with clause 2, which says the requirement that bank directors should hold qualifying shares in the bank should be waived, and a substitute requirement be inserted that they hold the corresponding number of shares in IAC Limited. The amendment would delete this provision, which would therefore force the bank directors to hold shares of both. This would prevent the bank from being a wholly owned subsidiary of IAC. It is interesting to note that if this could be complied with—I use the word "could"—it would confer a significant benefit on those bank directors at the expense of IAC shareholders.

The point I want to make about this amendment is that because of the structure of the transformation of the bank from a finance company, with leasing operations and whatnot, because of the difficulties there has to be a develop-

ment to provide for an orderly transfer. The reasons for that transfer were four-fold. The first is that the security indebtedness of IAC would not be permissible in the case of a chartered bank. It is impossible for an ongoing institution to be able to convert that kind of indebtedness to the type of indebtedness permitted under the Bank Act. Secondly, IAC has outstanding convertible securities which would not be permissible for a chartered bank under the Bank Act and these could not be immediately redeemed. Thirdly, the leases IAC has entered into are held for a certain time and could not be eliminated immediately. Fourthly, there are other aspects of IAC's capital structure and operations which would create serious difficulties with this procedure.

● (1750)

The form and development of the transformation that was looked at I cannot describe in detail, but basically they are to set up a chartered bank as a sister company of IAC; this was found to be impossible to accomplish. The second was to organize the chartered bank as a parent of IAC and then convert the business to the bank. The third was to create a situation where the business of IAC is funneled to the bank, the bank becomes a subsidiary of IAC and over a ten-year period absorbs the whole company so that the surviving institution is the bank. This is the only way that technically a conversion could work within the terms of the Bank Act. If the amendment were permitted its effect would be to strike the whole structure of the bill to the ground, because then IAC could not have a bank that is a wholly owned subsidiary owing to the difficulty of having directors hold shares outside.

I know that this is a technical matter, but it is one that would put the company in conflict with the provisions of the Bank Act. I therefore request that this motion be struck down.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I put my argument in the form of a simple question. If this is a point of order, what will the hon. member say when he gets to the substance of the motion?

Mr. Speaker: Order, please. Hon. members recognize that the question to be asked about the orderliness of the amendment is not really what type of corporation this is going to be and what its business and restrictions will be. The intent of the amendment, on the face of it, is somehow to interfere with that description of the privileges and powers that is envisaged in the bill. Surely that is the power of a motion at this stage, or at least the capacity of a motion at this stage.

Whether or not that turns out to be to the convenience or to the preference of the proponents of the bill is a matter for discussion on the substance, and it may be a matter for division in this House in this individual case. There may be other instances in these motions which in fact, by deletion, run an expanded negative, but in my opinion motion No. 1 does not fall within that category.

We are now approaching six o'clock and obviously hon. members have their basic right to make a speech on motion No. 1. However, may we call it six o'clock?

Some hon. Members: Agreed.

[Mr. Reid.]

Mr. Lambert (Edmonton West): Subject to the effect of motion No. 1, Mr. Speaker. There again, this could in effect be an expanded negative in that if the effect of the hon. member's amendment is to remove ownership of shares which are a condition precedent in the bank, the bill would not provide for the ownership of shares. After all, clause 2(1) is subject to subsection (2). The hon. member's motion seeks in effect to eliminate subsection (2), and therefore this would mean that the directors of IAC are named as directors of the bank but would have no shareholdings in the bank. That is contrary to section 10 of the Bank Act. There is a requirement in section 10(2) of the Bank Act that a provisional director of a bank be a subscriber to stock of that bank. With the greatest respect, it would make nonsense of the whole bill because some of the provisions of the Bank Act are negated.

I find that this is the consequence of almost every one of these amendments. Your Honour has pointed out, quite rightly, that you are not concerned with the form of the bank, but it must be a bank within the general framework of the Bank Act. There is nothing that says that amendments cannot be made to the Bank Act or that the shareholding must be this or that. The bill provides that the directors of IAC will be the provisional directors, and their shareholdings in IAC shall be the qualifying shares for their directorships in the Continental Bank of Canada, pursuant to section 10(2) of the Bank Act. The hon. member would be eliminating the qualification of those provisional directors, and if he wants to do that his only clear course in this House is to vote against clause 2, and not amend it.

Mr. Speaker: Order, please. The hon. member for Edmonton West (Mr. Lambert) has gone directly to the procedural question. If it were to turn out that the effect of the motion meant that the bank could not in fact be incorporated at all, then that may transform the question of procedure. However, it being six o'clock, I will give the matter very careful consideration during the 14 days that presumably will elapse between now and the next time the bill is considered. It being six o'clock I do now leave the chair until eight o'clock later this day.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

VETERANS INSURANCE ACT AND THE RETURNED SOLDIERS' INSURANCE ACT

MEASURE TO PROVIDE SETTLEMENT OPTIONS

The House resumed consideration of the motion of Mr. MacDonald (Cardigan) that Bill C-86, to amend the Veterans Insurance Act and the Returned Soldiers' Insurance

Act be read the second time and referred to the committee of the whole.

The Acting Speaker (Mrs. Morin): Order, please. Is the House ready for the question?

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, as the minister pointed out shortly before five o'clock this afternoon when he moved the second reading of Bill C-86, this is a relatively simple piece of legislation. It makes similar amendments, two of them in each case, to two different acts that are part of the veterans' charter. One act is the insurance legislation that was made available to veterans after World War I; the other is the insurance legislation that was made available to veterans after World War II. I suppose I could say in passing, for the enjoyment of my colleagues, that I was not here to vote for the first one but I was here to vote for the second one. That was in 1944. I simply recommend to hon. members that they stick around; the place becomes more interesting as the decades go by.

I appreciate the desire of the minister to give us the bits of information he put on the record this afternoon. I think it was important to remind this generation of what was made available. I think we are all interested in the statistics which tell us that there are still 2,500 policies in force from the first world war program and that there are still 19,000 policies in force from the second world war life insurance program.

As the minister says, the amendments being made to each of these acts are very simple. On the one hand the appropriate change is being made so that the benefits from an insurance policy at the discretion of the insured or of the beneficiary may be taken out entirely in a lump sum instead of only up to a certain amount. That seems to me to be acceptable. I know there have been a number of requests for this and we are happy to approve that part of the bill, namely, the amendment to both the acts which are before us at this time.

The other part of this bill, as already has been pointed out, is one that brings these insurance acts into line with other veterans' legislation in that common-law spouses are recognized under certain stated conditions for purposes of this legislation. The Department of Veterans Affairs has been realistic, practical, and I think humane in this area for many years. We certainly have no quarrel with this effort to bring these two pieces of legislation in line with other veterans' legislation in this respect.

I hope I will be forgiven if I again make the comment I suppose I have made just about every time we have done the right thing for common-law wives. I wish we would be equally generous and equally quick in moving on behalf of married wives and widows who were legally married. I shall not go into it at this moment, but the minister knows that we are looking forward to another piece of legislation having to do with prisoners of war which I hope will be along in a few days. Some of us are disappointed that our recommendation to improve the position of the widows of veterans on disability pensions is not to be included in that legislation. That is what I mean by the comment I now make.

I wish we could extend this generosity, this decency, this humane approach we offer, to a common-law relationship to improve the position particularly of widows of veterans where there is no question about the marriage relationship. I hope at some point in this session, either on the bill regarding prisoners of war or before the Standing Committee on Veterans Affairs, we can move a little further in that area. That is really all that needs to be said at this time. The bill is one which corrects a couple of anomalies and we are happy to give it our support.

Mr. Joseph-Philippe Guay (St. Boniface): Madam Speaker, I am very happy indeed to take part in this debate on Bill C-86, to amend the Veterans Insurance Act and also the Returned Soldiers' Insurance Act. My comments tonight really will focus particularly on new subsection 6 and section 3 of the act.

I should like to quote section 3:

> Section 3 of the said Act is further amended by adding thereto the following subsection:
>
> "(6) Notwithstanding anything in this Act, where, at the death of the insured, any insurance money is being paid or is to be paid as an annuity to any beneficiary, such money shall, upon the request of the beneficiary, be paid in a lump sum or in any other manner provided for in subsection (3) as the beneficiary may request."

● (2010)

In this regard I should like to say that in, my opinion, the $2,000 maximum death benefit appeared to be ample in the days when the act was framed. However, this amount is completely unrealistic today in view of the cost associated with a death.

Mr. Marshall: Put it in an amendment.

Mr. Guay (St. Boniface): I agree wholeheartedly with the minister, if the hon. member wants to know that is the reason I am making this comment. I believe the government has made a fantastic advance and has been very realistic with this particular aspect of the law benefiting veterans, and I think it would be remiss on the part of hon. members on this side of the House if they did not bring to the attention of the House, and to everyone in the country, the fact that the government has not only adhered to the committee report but also it has recognized that a change must be made now and has been made, and this is the reason I am speaking on this subject this evening.

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): Many beneficiaries, particularly the widows of world war I veterans are now at the age where they are unlikely to live long enough to benefit from compulsory annuities. So therefore the $2,000 limit on immediate death benefit was undoubtedly regarded as protectionism for the widow at the time the act was passed a number of years ago. However, it is out of keeping with the role of women in today's society, so over the years many representations by insured veterans and their beneficiaires have been made to the minister and to his colleagues to have the full value of the policy paid as an immediate death benefit. So the current legislation denies the veteran the right to determine the best method of having his policy paid to his selected beneficiary.

This amendment lifts a restriction imposed many years ago on a veteran's right to decide modes of payment of his insurance policy. The bill will bring veterans into line with

a practice followed by commercial insurance companies in that the insured has the full right to decide the method of payment on a policy.

This amendment will also allow a beneficiary who is currently receiving an annuity to receive the full settlement of the annuity if he so desires. This amendment in no way affects the veteran's right to designate the proceeds of his policy as an annuity if he considers this is indicated.

I also mentioned that I had other remarks to make, primarily with regard to clause 6, and I should like to—

[*Translation*]

The Acting Speaker (Mrs. Morin): I regret to interrupt the hon. member for St. Boniface (Mr. Guay), but he is not supposed to refer to particular clauses at this stage. He will be allowed to do so when we will go into committee of the whole.

[*English*]

Mr. Guay (St. Boniface): Madam Speaker, I should like to add to your suggestion by saying that it is also very important, somehow and somewhere, that someone should mention some parts of the legislation with which we are faced. One thing I cannot be criticized for is not being able to speak about the bill before us at the present time.

Perhaps I should mention this clause, but in a few words. This would give a person who is designated as a beneficiary by the insured the right, subject to the discretion of the minister and to the furnishing of the required proof to be paid under the contract of insurance on the death of the insured—

[*Translation*]

The Acting Speaker (Mrs. Morin): Order, please. Again I regret to interrupt the hon. member, but he must not refer to nor read any particular clause at this stage. We have to discuss the broad principles of the bill and not specific clauses.

[*English*]

Mr. Guay (St. Boniface): Thank you very much, Madam Speaker.

Mr. Marshall: Madam Speaker, I could not agree with you more, and if the hon. member had been in the House before when there was unanimous consent to have second reading, he would know that we could get into the committee of the whole and that he could bring up clause 6 and say anything he wants about it.

Mr. Guay (St. Boniface): In that case I am one of those who will not unduly delay any legislation in any way, shape or form, and I wholeheartedly agree with that statement.

Some hon. Members: Hear, hear!

Motion agreed to, bill read the second time and the House went into committee thereon, Mrs. Morin in the chair.

On clause 2.

Mr. Guay (St. Boniface): Madam Chairman, I want to thank all hon. members present here this evening for allowing me to continue with some of the comments I wanted to make. I know that there could have been some objection, so I wish to thank hon. members in the opposition for allowing me to comment at this time.

In accordance with your suggestion, Madam Chairman, I will now quote clause 6, and a part thereof which I wanted to mention.

The Assistant Deputy Chairman: Again I regret to interrupt the hon. member, but we are discussing clause 2 at the present time.

Some hon. Members: Hear, hear!

The Assistant Deputy Chairman: Shall clause 2 carry?

Some hon. Members: Agreed.

Clause agreed to.

Clauses 3 to 5 inclusive agreed to.

On clause 6.

Mr. Guay (St. Boniface): Madam Chairman—

An hon. Member: Now you've forgotten what you were going to say.

Mr. Guay (St. Boniface): I believe that by now hon. members will know the clause to which I wish to make reference. I believe I do not have to quote it again, and there is no doubt that I will be very brief.

Mr. Marshall: I think we all agree that we want to pass this bill quickly, and I hope the hon. member is not trying to filibuster it.

Mr. Guay (St. Boniface): I should like to bring to the attention of the House this evening the fact that if the loyal opposition is concerned about passing this bill in the limited time in which we are discussing it at the present time, it should be more willing to do so with regard to all other bills, including Bill C-68. If they are willing to do this, they can rest assured that I will sit down right now.

Mr. Munro (Esquimalt-Saanich): We are on clause 6, Joe.

Mr. Guay (St. Boniface): All I want to say is that I am wholeheartedly in favour of this bill. I had something to say about clause 6. I am very happy that the minister and the government saw fit to bring in this legislation despite the fact that some may believe that I am trying to delay it, even in three minutes. I will now sit down in order to allow the bill to pass.

Some hon. Members: Hear, hear!

The Assistant Deputy Chairman: Shall clause 6 carry?

Some hon. Members: Agreed.

Clause agreed to.

Clause 7 agreed to.

On clause 1—*Short title.*

● (2020)

Mr. Lambert (Edmonton West): Madam Chairman, there are just a very few observations I want to make about this bill. As one of the declining number of veterans in this House I can understand the motivation of the department in putting forward this particular bill. The minister full well knows my attitude, and I am sure his officials do as well, toward what in effect is one of the main thrusts of this bill. It is one that I have felt was a retrograde step in the total thrust of government legislation over the past few years.

It had been the rule that in order to recognize a certain status for concubines of seven years, or common law marriages of seven years, this would be equated to a legal marriage and that any benefits flowing to survivors under superannuation or compensation schemes of whatever nature under general federal legislation would apply to such concubines and common law wives.

We know there were some cases of hardship here and there, but I would say that the mood of the Canadian people in the late 1960's had tolerated a change from this status; now in the mid seventies that has changed considerably. Most of us in our generation believe the moral and the legal effects and consequences of marriage lie at the root of our social structure, in this country and in most other countries, and we do not think that this should be lightly cast aside. Somehow or other it got to be a popular idea that a shack-up of three years was enough—

An hon. Member: Oh, oh!

Mr. Lambert (Edmonton West): Would the hon. member just contemplate. Look at this legislation and I will tell the hon. member, who is pretty junior in years, of scores of cases of the wives of veterans—

Mrs. Sauvé: Junior but smart.

Mr. Lambert (Edmonton West): The hon. minister has no knowledge of this because she has never been over the track. Perhaps the hon. lady has not had an opportunity of having—

[*Translation*]

Mr. Roy (Laval): You should write your speeches, it would be quicker.

Mr. Lambert (Edmonton West): Let the hon. member for Laval mark my words. I shall not put up with lessons in the House.

Mr. Roy (Laval): Please, read your speech.

Mr. Lambert (Edmonton West): No, I won't. You do read your speeches. I wish to add this, Madam Chairman: I hope that those hon. members who are jeering tonight and think this issue is a big joke will receive telephone calls or visits from middle-aged ladies.

Miss Bégin: I rise on a question of privilege, Madam Chairman.

The Assistant Deputy Chairman: Does the hon. parliamentary secretary rise on a question of privilege or on a point of order?

Miss Bégin: On a question of privilege, Madam Chairman. With your permission, Madam Chairman, I would like to ask if the hon. opposition member has accused hon. women members on this side of the House of being middle-aged. I did not quite understand. I fail to see how this is related to the veterans' legislation.

The Assistant Deputy Chairman: Order, please. The hon. member for Edmonton West.

Mr. Lambert (Edmonton West): Madam Chairman, I wish to tell the clever Parliamentary Secretary to the Secretary of State for External Affairs (Miss Bégin) that had she followed the debate, she would understand that I am referring to veterans' wives. If she is touchy about her age, that is her problem not mine. But there are women who call and tell us about their husbands who deserted them because they were attracted by younger and more attractive women. They have raised children, a family, and their husbands are veterans who are receiving a pension or certain benefits under the veterans' program. In such cases, the problem arises as to who is to be considered as the surviving spouse of this veteran. Previously, if there had been a broken home, if there had been not a divorce but a legal separation from bed and board or simply voluntary separation between husband and wife, the right of the common law wife could be established only after seven years of living together. Nowadays, three years are enough. That is not very easy to buy oneself a pension! And what about the wife who has been deserted, tossed on the scrap heap of society? Should we tell her as I had to tell somebody: Listen, Madam, your fate is to rely on welfare. For so many people here in the House, the eventual answer is: Madam, go and apply for welfare. Yet this woman has raised a veteran's children, she has shared his home as well as his joys and miseries for 20 or 25 years. But she is put aside after barely three years. And what are three years? The wife is not entitled to the survivor pension, it is his mistress, his concubine who will get it. It is very simple!

But what did we read in this legislation? Do we know it? What is the principle proposed by this government? It is the same principle that we adopted and I voted last year against amendments to the legislation concerning several programs for veterans. But I think—

[*English*]

I make a plea to members of this House: why do we have to sap the social structure of our society?

● (2030)

[*Translation*]

Miss Bégin: Times have changed.

Mr. Lambert (Edmonton West): The hon. parliamentary secretary tells me that times have changed. Listen to see if she is in favour of concubinage—

The Assistant Deputy Chairman: Order, please. The hon. member for St. Boniface on a question of privilege.

Some hon. Members: Sit down!

[*English*]

Mr. Guay (St. Boniface): Madam Chairman, I rise on a question of personal privilege. The hon. member for Humber-St. George's-St. Barbe, in the interests of seeing this bill passed speedily, suggested that I should not speak on it. I have not spoken; yet here is the hon. member for Edmonton West speaking on the bill for the last 15 minutes and delaying passage. I have forgone the opportunity to speak, and I think members of the opposition should also be willing to make short speeches. It would assist matters greatly if the hon. member for Edmonton West would consider this matter and allow this bill to pass immediately.

Mr. Lambert (Edmonton West): Madam Chairman, I told the hon. member personally that I do not approve of this type of legislation. Perhaps it will take a few knocks for this message to get through.

Mr. Guay (St. Boniface): Madam Chairman, I rise on a question of personal privilege—

[*Translation*]

The Assistant Deputy Chairman: Order, please. It is not a question of privilege, but a point of debate. I shall now recognize the hon. member for Edmonton West.

[*English*]

Mr. Lambert (Edmonton West): If, under threats from the chief government whip, we must consider the bill—

An hon. Member: Say something.

Mr. Flynn: If you have anything to say, say it.

Mr. Lambert (Edmonton West): I tell the hon. member from down in Ontario that I have something to say, and I will say it, on my feet.

Mr. Flynn: If you have something to say, say it.

Mr. Lambert (Edmonton West): The hon. member spends a good deal of time sitting in his seat, opening his mouth and showing how wide is the cavity between his ears.

Mr. Flynn: We are still listening. Say something, if you have anything to say.

Mr. Lambert (Edmonton West): The parliamentary secretary may say, "But these are modern day mores". Yes, they are among certain people. Surely to goodness, people of a contrary view have the right to express that. I am prepared to listen to the parliamentary secretary explain why certain social and moral values, as between marriage and the right of common wives or spouses, should be relaxed. I would be pleased to listen, to hear what kind of case she could make. I regret this legislation. I do not think it is right in the present day context, and lots of people support me in this view.

I am exercised that this bill has been brought forward in the present manner, that it has been before the committee on veterans affairs, been before the legislative committee of the cabinet, and that it appears on the order paper, when in fact the recommendations of the veterans affairs committee regarding prisoners of war were before the cabinet and the department last year and the year before. I have exhorted the Department of Veterans Affairs and various deputy ministers over the years, only to get the brush-off.

An hon. Member: You need it.

Mr. Lambert (Edmonton West): Who said, "You need it?" Somebody said the prisoners of war need the brush-off.

Some hon. Members: Shame!

Mr. Lambert (Edmonton West): Who was that gutless individual on the other side?

An hon. Member: It was Munro.

Mr. Munro (Esquimalt-Saanich): No. Munro is not here.

Mr. Lambert (Edmonton West): I find it passing strange, and I speak on behalf of thousands of prisoners of war—I was one of them and I have declared my interest and position in this—I find it passing strange that the department and the cabinet should give greater priority to common-law wives than to the claims of prisoners of war and their entitlement. That is why I object to the bill.

Mrs. Campagnolo: Madam Chairman, will the hon. gentleman permit a question?

Mr. Lambert (Edmonton West): I trust it is pertinent to common-law wives of veterans, about whom I have been speaking.

Mrs. Campagnolo: My question is most relevant. The hon. gentleman referred tonight to mistresses, concubines, those who have been shacked up, and so on, ad infinitum. He has not observed the facts of life. Some veterans who came home from the war and became parents undoubtedly are the parents of young children around today. I have had personal dealings with women who are second wives or, if you will common law spouses. They have young children to raise, while the first, legitimate wife's children are over 30 years old. I feel that the question is relevant and a most important point for consideration.

An hon. Member: Put that in your pipe.

Mr. Lambert (Edmonton West): Madam Chairman, the hon. lady has had no more contact with those persons than I have. I assure her that there are more veterans and wives in the city of Edmonton than in her part of British Columbia. Working through the Legion, I can assure her I have seen all kinds of people.

May I say this: the woman in her fifties, who has raised her family and is tossed on the scrap heap of society by a husband who picks somebody else, is defenceless. You will find far fewer young women who have taken up with a World War II veteran. I am not talking of the man who has been discharged from the forces recently. After all, the man who was in World War II is probably over 50. It is not likely that he will have a young, common-law wife. There are not many who will have a young, common-law wife, and children.

An hon. Member: What about an older common-law wife?

Mr. Lambert (Edmonton West): There are far more of them. I will wager with the hon. member and meet him afterwards. I will say that there are far more veterans of his age and mine who, unfortunately, have cast aside their wives and picked up, shall we say, with someone else. There will be far more in that category than in the hypothetical category put forward by the hon. member for Skeena. That is the case I make. How does this happen?

What do you do with the woman who has been cast aside? Do you tell her to collect social welfare? That would be the solution, shall we say, that some would put forward.

Mrs. Campagnolo: Madam Chairman—

The Assistant Deputy Chairman: Order, please. The hon. member is raising a point of debate. If she wants to participate, she will be recognized afterwards.

Mr. Lambert (Edmonton West): Madam Chairman, I have finished.

Mrs. Campagnolo: Madam Chairman, I rise on a question of privilege. The hon. member for Edmonton West has imputed that somehow I fabricated the case to which I drew the attention of this House. That is not so. The person in question lives with five small children, and I think the possibility that five young children may be put on the scrap heap is far more serious than the matter the hon. member brought forward. I ask the hon. member not to forget this and allow us to get on with the business so that we can pass this bill.

● (2040)

The Assistant Deputy Chairman: Shall clause 1 carry?

Some hon. Members: On division.

Clause agreed to.

The Assistant Deputy Chairman: Shall the title carry?

Some hon. Members: On division.

Title agreed to.

Bill reported, read the third time and passed.

* * *

MARITIME CODE ACT

MEASURE TO PROVIDE A MARITIME CODE FOR CANADA

The House proceeded to the consideration of Bill C-61, to provide a maritime code for Canada, to amend the Canada Shipping Act and other Acts in consequence thereof and to enact other consequential or related provisions, as reported (with amendments) from the Standing Committee on Transport and Communications.

The Acting Speaker (Mrs. Morin): Does the House agree to grouping motions Nos. 1, 2 and 3 for debate, with a separate vote being taken on each motion?

Some hon. Members: Agreed.

Maritime Code

[*Translation*]

Hon. Jean Marchand (Minister of Environment and Minister of Fisheries) (for Mr. Lang) moved motion No. 1:

That Bill C-61, An Act to provide a maritime code for Canada, to amend the Canada Shipping Act and other Acts in consequence thereof and to enact other consequential or related provisions, be amended in Clause 8 of the French version by striking out lines 16 to 18 at page 12 and substituting the following therefor:

"*a*) le transport par eau, ou par eau et par voie de surface, des marchandises ou des passagers, ainsi que le remorquage, directement ou avec escale à l'étranger,."

[*English*]

Mr. J. M. Forrestall (Dartmouth-Halifax East) moved motion No. 2:

That Bill C-61, to provide a maritime code for Canada, to amend the Canada Shipping Act and other Acts in consequence thereof and to enact other consequential or related provisions, be amended in Clause 8 by deleting line 20 at page 12 and substituting the following therefor:

"Canada: and, for better ensuring the attainment of the said purposes, any port or place in the islands of St. Pierre and Miquelon shall be deemed to be a port or place in Canada, and the Governor in Council may, by order, provide that any other port or place not in Canada shall be deemed to be in Canada,".

Mr. Donald W. Munro (Esquimalt-Saanich) moved motion No. 3:

That Bill C-61, to provide a maritime code for Canada, to amend the Canada Shipping Act and other Acts in consequence thereof and to enact other consequential or related provisions, be amended in Clause 8 by deleting line 30 at page 12 and substituting the following therefor:

"whether directly or by way of a foreign port or place and when carrying passengers whether or not the passengers leave the ship at a port or place in Canada and if the passengers leave the ship at a port or place in Canada whether they do so definitely or merely for a temporary period;".

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Madam Speaker, the first of the amendments, which you have just read, is in the name of the Minister of Transport (Mr. Lang) and relates to Clause 8 of Bill C-61. The other two motions stand in the names of hon. members opposite. I propose in my initial remarks to direct my attention exclusively to motion No. 1 proposed by the Minister of Transport.

May I say in a general way that certainly we on this side of the House, and I think I speak for members in this Chamber generally, are very pleased to see the progress of Bill C-61 to date. We are glad to see that on this occasion we are back before the House of Commons at the report stage considering a relatively small number of further amendments to the legislation. I hope this indicates the House may very shortly give this additional degree of approval to Bill C-61.

There is some work to be done yet, but I think it is fair to say that very good progress has been made, particularly the work done before and since Christmas in the Standing Committee on Transport and Communication.

I want to express a word of thanks to the members of that committee who worked very hard and conscientiously on this legislation in an effort to give it fair consideration and, in the final analysis, to improve certain aspects of it. I want to thank members opposite for their co-operation and, in particular, members on this side of the House for their constant attendance at the committee and the good work they did on this particular bill.

I should also mention the many witnesses who appeared before the committee in the course of our deliberations on Bill C-61. A great many of the ideas, suggestions, and specific proposals put forward by those witnesses were very helpful. They contributed substantially to the measure before us in this form this evening.

To deal specifically with motion No. 1 being proposed by the Minister of Transport, I believe this can be considered and disposed of rather quickly and simply. The change is a minor correction in the technical wording of the French version of clause 8(3)(*a*). There is no substantive change. It is merely a technical correction. I commend it to all members for speedy adoption.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I see we are not going to get very much co-operation this evening from the parliamentary secretary. We anticipated a rather lengthy introduction on this, the most massive public statute in the laws of Canada.

The parliamentary secretary is quite right with respect to the technical amendment he proposes on behalf of the government this evening. It is not controversial. It is just a matter of tidying up some language in the act.

Our challenge this evening as we consider report stage of a bill to amend the Canada Shipping Act, entitled the Maritime Code, cannot be treated nearly as lightly as the parliamentary secretary would lead us to believe. In the first place the importance of the subject requires the presence here of the Minister of Transport (Mr. Lang). We heard and saw so little of him in the standing committee that at times we were somewhat frustrated. I might add that if the minister had found it possible to be present more often during those meetings there might not have been need for the six amendments we are proposing to put forward at this time, not to mention the technical amendments which I understand are being proposed to the French version of the bill and with which I myself am not particularly qualified to deal.

● (2050)

In connection with what the parliamentary secretary had to say there are one or two observations to be made on the subject of the translation of bills. Under the old principle a draftsman wandered into the Department of Justice armed with the knowledge of what he intended to propose, singled out a person in that department, and communicated to him his requirements with respect to the legislation. That person, with his knowledge of legal terms and so on, which most of us barely comprehend, was expected to turn out the required document. That was the practice accepted in this Chamber for a long time, perhaps for 100 years.

In recent years, however, concern arose about the ability of translators to make a precise rendition from one language into the other—from English into French or from French into English, so we adopted a system of which most of us approved. This involved the director of drafting in the Department of Justice addressing himself to an English-speaking person and communicating to him the import of what he wished to convey, and then moving over and addressing himself to a person conversant with the French language, but never the twain shall meet, the principle

being that the drafters were able to communicate the content and the spirit intended in the act.

The assurance given in the House by a former Prime Minister, Mr. Pearson, by the present Prime Minister (Mr. Trudeau), and by the Secretary of State for External Affairs (Mr. MacEachen) when he was a very effective and acceptable House leader, was that these versions would be interpreted equally before the courts. That was fine, and it expedited the use of the two languages in legislation.

What do we find today in connection with Bill C-61 which leads to the amendment brought forward by the parliamentary secretary? What happens is that the director of drafting wanders into the office of the Minister of Justice, looks around, very often finds that it is understaffed, and says, "Who is available to do some work?" He may get a French drafter or an English drafter. It doesn't matter. Whoever gets the drafting chore is then responsible for getting a verbatim translation made into the other language. So we are back where we started.

My criticism of the amendment is that we find in Bill C-61 a mixture of the old system and the new. There is, in fact, a combination of two systems. The danger of this is that when an action is brought before a court, whether in English or in French, widely differing interpretations could arise. The practice of the English courts is to refer to common usage and the common understanding of a word.

The French approach to this problem is to have recourse to historical documents where possible. And if those documents do not follow a consistent pattern it is likely that judgments will be inconsistent.

That is the burden of the message which will appear in a number of places as we go through this bill, because the parliamentary secretary, the minister, and the representatives of the department who were largely responsible for drafting this bill have given us an assurance that essentially the two languages used in it will be interpreted by the courts in the same way. God help counsel whenever they have a case involving what is the most massive piece of legislation on the statute books of Canada.

As to the technical matters involved, perhaps there is not much point in my dealing with them in detail. I am sure most hon. members will understand the dilemma which faces some of us when it comes to addressing ourselves to a fairly narrow point of this kind. I take the time of the House to raise this question because I believe it to be fundamental to the administration of an act which we on this side, with two major exceptions which I can think of immediately, are prone to support.

Our reservations have to do with the very clause the parliamentary secretary seeks to amend. They have to do with the protection of primary users of transport in Canada and, as others will point out while the debate goes on this evening and for the next few days, they have to do with the movement of every single item of commerce in this country, bar none. The conflict which arises when you have a Railway Act bound in statutes to adhere to compensatory arrangements, spells out in essence our fate for those of us who live in the extremities of the country.

● (2100)

For those of us who have to compete with the railways through water borne traffic it tends to impair, as pointed out by the council of maritime premiers, the ability of people such as farmers to import grains at a competitive rate. It tends to play havoc with the shipment of west coast lumber, with the movement of flour, indeed with every commercial activity requiring some form of transportation from one part of Canada to another.

Basically the parliamentary secretary is attempting to amend the most important section of Books I and II. It is the section that will close exclusively to Canadian ships the coastal waters of Canada. Some years ago we closed the Great Lakes to Canadian registered ships and had great fears about it. Fortunately, because of growing technology, those fears were not realized. However, as the report stage debate continues, Mr. Speaker, you will be hearing members on this side of the House setting forth for consideration in absolute detail the very vital principles that are at stake if this section is passed without something other than the assurance, written or verbal, of the Minister of Transport which will be required by the council of maritime premiers. Indeed the government of British Columbia may require such assurance since Mr. Jack Davis, a distinguished minister in the present British Columbia government, was a former minister in the federal government when the principle of closing coastal trade to Canadian ships was under active consideration. He himself was actively involved in a department that could not itself understand the consequences of this particular section.

What we require to have built into this legislation at some point is a written assurance that nothing that the legislation chooses to do will in any way impair the competitive position of shippers, be they on the west coast, the east coast, or in central Canada. Nothing must impair their ability to move goods and services at the lowest possible rate.

We are concerned about this question from a variety of viewpoints. We know the shellacking that the Atlantic provinces are going to take on April 1 after the Minister of Transport brings in amendments to the Railway Act, particularly to section 272 which controls freight rates, freight rate subsidies and so forth for the movement of goods in our area. We are also concerned about bearing the loss of a level of subsidy on the movement of goods and services by a Canadian fleet which today can only operate at a cost equal to or higher than the existing statute provides for, inasmuch as it does provide for licences and the use of other than non-Canadian ships for the movement of goods and services between one Canadian port and another, or between two Canadian ports by way of a foreign port.

The department has gone a long way to upgrade a bill that essentially arose out of the old British merchant marine act going back to the middle 1800's, and indeed much earlier. We have consolidated the statutes, brought them together and added to them, and they have affected virtually every law on the books in Canada. We are now engaged in updating Victorian attitudes which underlie the old act.

We on this side are grateful that we have got this far. Books I and II, as we will learn when we go through them, deal with some of the general aspects, such as coastal trade and the definition of what is a Canadian ship, what are Canadian waters, what are territorial waters, what is a Canadian registered ship, who can own a Canadian ship, what a foreign owner is, what his responsibilities are, and so on.

We have the basis of a good bill here, but it is weakened by two things, Mr. Speaker. First of all, it is weakened by the point that I outlined earlier regarding translation and the approach used in drafting the legislation before us. To Your Honour's deep and continuing concern, most members on this side feel that the one language does not necessarily conform to the other. If you read the legislation in the French version and you ask your colleague whether the English corresponds, you are not likely to get an affirmative answer. The same is true of the other language in certain parts of the bill. In other parts if you were to ask your colleague whether the English translates properly into French, he would say it does exactly. But if you were to ask a judge to give his interpretation he would come up with a different interpretation based on whether an action is brought under the act *en français* or in English.

The second matter, requiring a minor technical amendment which we will support, has to do with the shortcomings of the legislation under this particular section. I trust that some of my colleagues will speak in a definitive way on this matter. I refer to the impact on shippers of the consequences of this act if we take water borne transportation out of its presently highly competitive posture vis-à-vis the railways and place it in a posture that allows the railways to increase their rates. God only knows how the railways set their rate structure other than through competition.

As I have said, Mr. Speaker, the maritime council of premiers was concerned about this question. We have members from New Brunswick and also members from the west coast who are concerned about it too. It is a matter that must be dealt with by the minister before we go too far on this stage of the bill.

We intend to introduce amendments on this aspect and when we reach clause 12, so that we might have a little more time to consider certain amendments, I will ask that it be stood in order to give the government time to consider ways of incorporating in the bill the type of assurances that are absolutely necessary if the government has any desire to get this piece of legislation out of report stage and into third reading during the present session.

● (2110)

We have six amendments that will follow. We intend to debate all six, although not at any great length. We believe these amendments are stronger than the wording in the bill and tend to give the legislation the type of strength, spirit, and intention of the act. We have indicated publicly that in general we are very much in favour of the bill. I believe in the development of our own Canadian merchant marine.

I might go back to the reference by Judge Bell to the need for a framework or consolidation of the old Canada Shipping Act into a maritime code for the orderly development of our own Canadian merchant marine. This goes back over a period of 15 or 20 years. If he were here this evening he would welcome this. I refer to him because he

fought long and hard for it. Although he is no longer in the partisan sphere I indicate his concern for the protection of the security of transport in the maritimes, in British Columbia and elsewhere in Canada, and his concern about anything that imperils the livelihood of the thousands of Canadians who rely on competitive transport for their survival or economic well-being.

Mr. Speaker, I appreciate the leeway you have given me with regard to the very specific amendment the parliamentary secretary has brought in. We have no serious objection to the amendment. We merely wish to indicate in a general way our caveat or reservation concerning the general drafting of the bill. I would hope the parliamentary secretary, or the Minister of Transport personally would give this House the assurance that they are satisfied that the drafters of this bill have done a piece of work which will lead to an equitable interpretation by the courts in Canada, whether it be in English or in French.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I would be lacking in full Canadianism if I did not support the basic thrust of this bill. I have often stated, and my words on the record in this House have made abundantly clear, that in my view Canada requires its own merchant marine.

Canada is a nation which is involved in international trade. We have three coasts. Much of our trade is carried by ships. We will not be able to expand our trade until we are able to command the bottoms in which it is carried.

Basically this is a piece of legislation we have been awaiting. The hon. member for Dartmouth-Halifax East (Mr. Forrestall), who has just spoken, mentioned some of the shortcomings that we see in the amendment proposed by the Minister of Transport (Mr. Lang) and spoken to briefly by the Parliamentary Secretary to the Minister of Transport (Mr. Goodale). One of the shortcomings is in respect of something that appears in the French text compared to what appears in the English text. I should like to direct attention to two portions. One immediately strikes the point.

Although I do not think one can push this too far, generally speaking there is an equivalence in the English version of the protracted text in the French version; because of the precision with which the French language defines itself the French version normally is a little longer than the English version. When I see a French version that is shorter than the English version it immediately jumps at my eye. I immediately think that something must be omitted somewhere. Then I examine it more closely. There may be other examples, but here I find at least two. This is a long complicated bill which requires a great deal of examination, even having just this in mind.

I should like to cite an example on page 14. Mr. Speaker, if you look at the top of page 14 you will see subclause (2) which is almost twice as long as the French version. One might say to oneself that the French version is concise here. However, I do not think this can be so. I looked a little more closely. I find that there is one expression in the English text which really is not carried over into the French text. One of the expressions in subclause (2) is:

... in the twelve month period immediately preceding September 24, 1973...

[Mr. Forrestall.]

The French version says simply:

A régulièrement et légalement fait du cabotage au Canada depuis le 24 septembre 1972.

That is a different version of the whole thing. Perhaps we should shorten up the English version to correspond with the French version. Instead of saying, "for the twelve month period immediately preceding September 24, 1973" we should say "regularly and legally having been in the service of cabotage in Canada since September 24, 1972." Perhaps this is one aspect of the free translation or free interpretation.

Another example I would cite is on page 50. Here again we have a counteraction in the French. Here the meaning of "cabotage" is narrowed much more in English than in the French. In French it is very large:

Utilisé pour faire du cabotage au Canada.

It refers to "other than a Canadian ship in the particular aspect of the coasting trade". The coasting trade, roughly speaking, one can say is cabotage. There is reference to the particular aspect of the coasting trade of Canada in which the applicant proposes to use the ship to which the application relates. I do not think "faire du cabotage" can be translated with this lengthy expression or that the lengthy English expression can be translated into French by simply saying "faire du cabotage" because cabotage does not cover a definition of a particular form of cabotage when one looks at the definition. In fact "cabotage", if we look in the definition under this bill, is not defined at all. So I support the remarks of my colleague from Dartmouth-Halifax East who mentioned this aspect of the bill. Again I agree with him generally that this is a bill that Canada has long needed.

There is another aspect of the definitions here that I feel is worthy of bringing to your attention, Mr. Speaker. That is, we have two definitions of a Canadian ship, one appearing on page 2 under the definition of Canadian ship. It is on page 2 as item 6. Then on page 4, the third full definition is that of *navire canadien*. That corresponds with item 6 of the definition in English. Having got there we see that a Canadian ship means a Canadian registered ship or a Canadian registered small craft. Then we go to page 12, and we find that "for the purposes of this section and sections 11, 12 and 14" a Canadian ship means something else.

● (2120)

Mr. Goodale: Mr. Speaker, I hesitate to interrupt my hon. friend, and I say that sincerely, but I think we have had a bit of a misunderstanding as to our way of proceeding this evening. It relates to the original grouping of motions in terms of debating purposes and voting purposes for this evening's discussion. It seems that both my hon. friends across the way and I misunderstood what Madam Speaker earlier had concluded on this matter.

With the consent of the House I propose a new arrangement for dealing with the various motions on the order paper in terms of the clauses that we group together for discussion purposes. I think, just as an aside, that all of us who have spoken so far, including my hon. friend whom I have just interrupted—and I apologize for that—have restricted our remarks so far to the question of the correspondence between the English and French versions, so I

do not think we have caused any difficulty for the Chair in that respect.

I propose that motions Nos. 1 and 5 be grouped together for the purposes of discussion and voting because they both relate to a similar subject matter in connection with the two versions of the bill, that is, the English and French versions. I think we could conveniently deal with motions Nos. 2 and 3 together. Motion No. 4 should be dealt with separately. I think motions Nos. 6 and 7 could be conveniently grouped together. Motion No. 8 should be dealt with separately, and motion No. 9 should be dealt with separately. I think there would be a disposition in the House to deal with the clauses in that fashion.

Mr. Forrestall: The observations of the parliamentary secretary are correct. We apologize to the House and trust that we have not caused any great inconvenience. Before we get too deeply into this, I think the groupings the parliamentary secretary has outlined, namely, grouping motions Nos. 1 and 5, and Nos. 2 and 3 No. 4 separately, Nos. 6 and 7 together, No. 8 separately, and No. 9 separately, is the general course of action which would best meet and facilitate the House in getting on with the debate and in any subsequent voting which should take place. I simply support the parliamentary secretary in this.

The Acting Speaker (Mr. Turner): It is my understanding that a vote on motion No. 1 will dispose of motion No. 5; a vote on motion No. 2 will dispose of motion No. 3; motion No. 4 will be a separate vote; a vote on motion No. 6 will dispose of motion No. 7; motion No. 8 will be a separate vote, and motion No. 9 will be a separate vote. Is that agreed?

Some hon. Members: Agreed.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I apologize to the House for any misunderstanding. I did confine myself within these limits up to a point; I recognize that. Then I got into two definitions in English which I found just a little difficult to follow, and I am sure that if I had followed the French versions I would have found *navire canadien* appears in two places with two definitions, so I think in those circumstances I am not entirely out of order.

However, I think these remarks are still worth making because, although I am not a lawyer, I feel there is some role that a definition section in a law of this complexity should play. Then having found out through the definition section what something means, I have to pull myself up with a bit of a jerk as I come a little further along in the legislation to find that that term does not mean the same thing there; it means something else again. As I say, it is not a matter of translation from one language to the other, but the use of the same term in the same language in different senses in different parts of the bill.

My remarks concerning the abbreviation in some portions of the French—and perhaps there is a lack of consonants in the English version—certainly stand, and dealing simply with motions Nos. 1 and 5, I reiterate at this point, that to my way of thinking, when we reach clause 12, there will be a need for a little more assurance. Agreed, this is not covered by these motions, but when we reach clause 12 on page 16 we will need something a little more positive in the way of an assurance. For example, I should like to think that the regulations in both languages will be ready for us to look at before this legislation is finally given third reading, and also that these regulations will have met with the approval of the Maritime premiers who, I understand, expressed some grave reservations, for good economic reasons, about the imposition of this legislation.

I have no quarrel with the amendments which have been put forward, motions Nos. 1 and 5. I think this does illustrate, however, a fact that we have been trying to bring out. I should also like some clarification from the parliamentary secretary, or from the minister himself when the time comes, that the interpretations in one superior court or another will be based on the same sort of facts.

Again I admit that I am not a lawyer, but I have been given to understand that in English speaking courts one relies entirely on the precedents and definitions which are written in the law, whereas—and this again is my understanding, subject to correction—in the French speaking courts, and the superior courts particularly, the judges have access to and they use the historical documents building up the definitions, and even the discussion we are having tonight might very well constitute part of the desiderata of a judge when he is considering the meaning of some term, phrase of clause. This would introduce some quite different elements in the judgments, so I should like during the course of this debate, or later, to have a definitie assurance on these matters.

● (2130)

Mr. Ron Huntington (Capilano): Mr. Speaker, I take this opportunity to speak to clause 8 of the bill in order to express the concern of the shippers of British Columbia about its inclusion in Bill C-61. Everybody in British Columbia welcomes Bill C-61, and those of us who have sat on the committee understand the tremendous amount of work that has gone into it. This is a technical bill and pertains to the new transportation policy—

The Acting Speaker (Mr. Turner): Order, please. Is the hon. member speaking to motion No. 8? Only motions Nos. 1 and 5 are before the House at the moment.

Mr. Huntington: No, Mr. Speaker. I am speaking to the amendment to clause 8, which is motion No. 1.

We realize that the bill is needed to put into shape much of the legislation which is necessary for the implementation of the new transportation policy for Canada. But clause 8 is of real and serious concern to the shippers of British Columbia. This clause would implement something new. We are not continuing with the housekeeping nature and improvement nature of Bill C-61, we are moving into a restriction of coastal shipping to Canadian bottoms.

In British Columbia we are completely capable of building equipment that is entirely suitable in advanced technology for the movement of goods on the coast. We are also capable of building equipment to move goods and service the Arctic from that coast. The problem that shippers in British Columbia have with clause 8 is in regard to its inter-coastal nature, that is, the movement of goods from the west coast to the east coast. This clause puts shippers in British Columbia into the same condition that the Jones Act puts the Pacific Northwest State shippers in the United States—a non-competitive position.

It is a fact of life that British Columbia shippers enjoy a lower rail rate on a mileage basis only because of their ability to move goods across this country by water through the Panama Canal. The recent Canadian National-Canadian Pacific increase in rail rates has caused shippers in British Columbia to look again at the water or ocean movement of British Columbia products to the east coast of the United States and Canada.

What we are doing by insisting that we move merchandise from British Columbia via the Panama Canal in Canadian bottoms is creating a monopoly situation that will either be owned by single interests or by the railroads of Canada. Such a monopoly situation would make the products of British Columbia more expensive to eastern markets and would reduce the take-home pay of the workers in British Columbia. It is absolutely essential that this be understood, and the point was made to the former minister of transport in October, 1974.

In his opening remarks the parliamentary secretary mentioned that we had heard from many committees. It is interesting to note that the steering committee did not see fit to bring back to the transport committee the points made by the Council of Forest Industries of British Columbia. In the discussions in committee I was not made aware that the Council of Forest Industries had made a presentation to the Minister of Transport. I think that was an oversight that has not worked to the advantage of British Columbia shippers.

It is a known fact that limiting the movement of British Columbia products to the east coast of North America via the Panama Canal in Canadian bottoms only would raise the cost, and the limited volume of freight would leave us pretty much in a monopoly situation which would work against our interests. I have been advised that clause 8 can only work extreme adverse hardship on British Columbia shippers.

The hon. member for Dartmouth-Halifax East (Mr. Forrestall) pointed out that the same fears existed when Canadian bottoms were limited to the Great Lakes. I should like to point out that on the Pacific rim and in the port of Vancouver we have been serving the hinterland with overland common point rates of the railroads. Much of the service which comes through that port has been due to that classification of freight rate which recognizes the competition of the Panama Canal.

I also point out that the fears of my colleagues about the Great Lakes mentioned by the hon. member for Dartmouth-Halifax East did not come to pass. I would suggest that the Great Lakes and the St. Lawrence seaway system are a heavily subsidized system for which you could not get an honest comparison of rates.

The Welland Canal alone requires a subsidy of from $33 million to $38 million a year over and above its revenues. The total St. Lawrence seaway system accumulated deficit is approaching $800 million. With that type of subsidy I suggest there is no argument left to allay the fear in British Columbia that Canadian bottoms moving British Columbia goods via the Panama Canal to eastern Canadian coastal ports would do anything but increase the cost of moving those goods to markets. As we are dealing on a delivered basis that increased cost can only come out of the payroll and revenues of British Columbia.

[Mr. Huntington.]

To give an idea of the volumes unvalued I will take two commodities, Mr. Speaker. In 1974 the lumber moved by rail and truck from British Columbia to eastern markets totalled 471 million cubic board feet. At 50,000 cubic board feet to a carload we are talking about nine to ten thousand carloads of this one commodity.

Another product is plywood. In 1974 we shipped 650 million square feet. At 55,000 square feet to the carload we are talking about some 11,000 or 12,000 carloads of this product. That all moves into these eastern markets and the rail rate has to be competitive with water rates that are available from other flags attending the west coast market.

I think the government should be very careful with this clause of the bill because it carries most serious economic consequences for the people of British Columbia. As I have said, we are very capable of designing and building efficient equipment to service the coastal areas and the north into the Arctic. Our main concern is the intercoastal movement of British Columbia products via the Panama Canal. We do not criticize the need for a Canadian merchant marine; if fact, we on the west coast would like to see a Canadian merchant marine, but perhaps with a broader reason and use.

Canadian consumers suffer a very serious disadvantage and deficit when dealing with members of the Ocean Conference. Because we in Canada do not have a Canadian merchant marine we are not party to the Ocean Conference. It is difficult for the port of Vancouver to compete with Seattle as U.S. shippers are members of the Conference. For instance, containers are delivered by the ship slings to the ships at Vancouver and the cost thereafter of moving the container to rest at Vancouver dock or shed is charged to the account of the shipper or receiver. In Seattle, a port which is part of the Ocean Conference, the container is delivered from the ship to "at rest" in the shed, at the expense of the ship. Therefore shippers or receivers in the port of Seattle do not have to meet this additional cost. That is not the case in Canada, as we are not part of the Ocean Conference.

● (2140)

There is no Canadian Marine Industry. I do not think anyone would criticize attempts to establish such an industry in this country. I think the inclusion of clause 8 as worded in the bill shows that the Minister of Transport and the ministry have not given due consideration to the needs of British Columbia.

Another matter to do with clause 8 concerns Canadian bottoms, or the lack of them, involved in coastal trade. I am concerned about trade via the Panama Canal. Canada faces tremendous capital needs for energy, and in the immediate future for modernizing its transport system. Why should we involve ourselves in pouring capital into Canadian bottoms when other bottoms are available to serve us, and take B.C. products to east coast markets? I should like to see this aspect of clause 8 corrected, in order that there may be due consideration of the factors I have mentioned. All regions of Canada must be considered in the matter of transport.

Another concern is this: it has been my personal experience that it is extremely difficult to find crews to man ships. At present we in British Columbia are building a

highly technical vessel to serve the oil rigs in the North Sea. Canadian companies are leasing these vessels to the exploration companies. Not long ago I witnessed a launching of one such vessel.

I learned that Canadian companies could not man these ships with Canadian crews. The pay was between $20,000 and $30,000. You would be three weeks on and three weeks off. Your family would live in Spain, and you would be flown back and forth if you served on such a ship. The working conditions and quality of employment were the best I have seen. Yet it was difficult to man that ship. A crew could not be found in British Columbia. The company searched across Canada for personnel to man the ship. That again is another factor to which the government has paid insufficient attention by including clause 8 as worded. For that reason I should like to see this aspect of clause 8 not included in the bill.

In October, 1974, the former minister of transport promised the institution of an efficient waiver system which would allow the use of foreign ships if Canadian ships were unavailable at suitable rates or were unsuitable for the task at hand. If the government intends to include clause 8 in this housekeeping bill I should like to see some guarantee being given with regard to that promised waiver provision.

Again I ask, if you insist on Canadian bottoms moving B.C. products, primary and secondary products, to eastern Canadian markets, who will own the bottoms and will they operate at competitive rates? I suppose they will be owned by Canada Steamship, or a consortium involving Canada Steamship, or one involving the railroads. If the railroads are involved in the ownership of Canadian bottoms serving British Columbia we shall lose the last vestige of hope for obtaining competitive rail rates for moving our products efficiently to consumers in the east.

It is my judgment that it is better to tackle this problem by giving tax incentives in place of subsidy incentives. If you provide tax incentives, industry will find the most efficient answer. Industry will be more efficient than the bureaucracy. I am opposed to this bureaucratic meddling in B.C. industry. It restricts the freedom of our industry.

I was interested to note that the B.C. transport minister has expressed the same concern I have expressed in the House this evening. He said that the Jones Act has worked to the disadvantage of industries in Oregon and Washington competing with British Columbia. We shall neutralize that advantage if we include clause 8 as written in Bill C-61. There can be only one result for B.C. shippers;—increased cost of delivering B.C. products to eastern Canadian markets.

As an alternative we could continue using other countries' bottoms. We could discharge the goods at non-Canadian ports, then ship them by rail or truck to eastern Canadian markets. But that makes no sense. For that reason I contend that the government has not deliberated enough on the need for a rewording of clause 8. It works to the disadvantage of the industries and people of British Columbia. I am glad that Mr. Davis, the B.C. transport minister, now sees the producers' point of view. He was not concerned, I understand, when this subject matter was considered in 1973. He at that time raised no objection to the inclusion of clause 8, as presently worded.

In closing I urge the Department of Transport, the Minister of Transport, and the parliamentary secretary to delete clause 8 in its present form from the bill as it will work a disincentive to the industries and people of British Columbia.

The Acting Speaker (Mr. Turner): Order, please. Originally it was agreed that motions Nos. 1, 2 and 3 would be voted on and discussed together, under certain conditions. In the light of the later agreement is there unanimous consent to withdraw motions Nos. 2 and 3 from the grouping?

Some hon. Members: Agreed.

Hon. James Richardson (for the Minister of Transport) moved motion No. 5:

That Bill C-61, to provide a maritime code for Canada, to amend the Canada Shipping Act and other Acts in consequence thereof and to enact other consequential or related provisions, be amended in Clause 11 of the French version by deleting subclause (2) at pages 14 and 15 and substituting the following therefor:

"(2) La Commission canadienne des transports ne peut délivrer la licence prévue au paragraphe (1) que si le requérant la convainc

a) qu'il est dans l'intérêt public d'utiliser un navire autre qu'un navire canadien compte tenu de l'usage particulier auquel le navire visé par la demande est destiné;

b) que le navire visé par la demande présente les caractéristiques nécessaires à cet usage."

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the comments I made on the first motion apply to this motion also. The principle is the same, no substantive change is being made in the effect of this clause. This, simply, is a technical amendment, to make the French language version of the bill correspond with the English version. Comments made with regard to the importance of making both versions the same are relevant here as well.

● (2150)

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I rise on a point of order. Do I understand that the remarks that were just made were directed to motion No. 5 and that we have up until now been discussing motions Nos. 1 and 5 together, or were we just discussing motion No. 1? I am really confused.

The Acting Speaker (Mr. Turner): Motions Nos. 1 and 5. We withdrew motions Nos. 2 and 3 from the grouping. Is the House ready for the question? The question is on motion No. 1 and motion No. 5. Is it the pleasure of the House to adopt the said motions?

Mr. Forrestall: Mr. Speaker, I rise on a point of order. I was wondering whether the government House leader was paying any attention to us tonight. Possibly we can defer any and all results until some point in the future because there will be votes. It might be easier to dispose of this at one time and now move to motion No. 2.

Mr. Guay (St. Boniface): Could we not now agree on division?

Mr. Paproski: On division.

The Acting Speaker (Mr. Turner): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Turner): All those in favour of the said motions will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner): In my opinion the yeas have it. Do the motions carry?

Some hon. Members: On division.

Motions Nos. 1 and 5 agreed to.

The Acting Speaker (Mr. Turner): The House will now proceed to motion No. 2 in the name of the hon. member for Dartmouth-Halifax East (Mr. Forrestall) and motion No. 3 in the name of the hon. member for Esquimalt-Saanich (Mr. Munro).

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, these motions have already been formally moved. We are now starting to get into the meat of the content of Bill C-61, the Maritime Code. We are still dealing with clause 8 with regard to the coastal ports of Canada. My two colleagues have in a general way pointed out some of the fears we on this side have with respect to it.

The amendment I put forward seeks to strengthen the intent and spirit of the act as it relates to cabotage. What we have been attempting to do since we lost the Canadian merchant marine through what can only be described as carelessness by Liberal administrations of 15 or 20 years ago is to re-establish a framework for a Canadian merchant marine.

This House has heard me talk about the role of Canada in the north, for example, that we should be the ones to control our extractive industries, build the boats, find the crews, and provide the technology and planning. My amendment seeks to close one of the major loopholes in the bill. Fears have been expressed by my colleagues from the west. My colleagues from the east will be a little less restrained than those two hon. gentlemen and will put in a forceful manner some of the fears we have.

For those who have bothered to read my amendment it is not put forward with tongue in cheek. I will read it because I am sure most members have not bothered to look at it. I am attempting to close a very serious loophole in the act. If we pass this bill without giving consideration to and doing some thing about this, we might just as well not have bothered in the first place. I have moved the deletion of line 20 at page 12 and the substitution of the following therefor, and I quote:

"Canada: and, for better ensuring the attainment of the said purposes, any port or place in the islands of St. Pierre and Miquelon shall be deemed to be a port or place in Canada, and the Governor in Council may, by order, provide that any other port or place not in Canada shall be deemed to be in Canada."

[Mr. Paproski.]

We are trying to get at closing the damnable practice of foreign ships coming into our country and engaging in business that could well be carried on by Canadian entrepreneurs. This is not being done by Canadians because parliament will not give them a change to invest in developing a tourist industry.

As an example, Russian ships enter the port of Montreal and take on passengers who have paid $300, $400 or $500 for a trip. The ship flies a foreign flag. There is a foreign crew. They are not subject to the Canada Labour Code, the Immigration Act, the Income Tax Act, or any other Canadian Laws. We permit them to come here, pick up passengers, steam down the St. Lawrence, up the Saguenay and get off at Quebec. They can clear the Saguenay or Diamond Point at St. Pierre and Miquelon, a foreign place. It does not matter whether they go into that port. They simply have to clear "foreign" and then return to drop off their passengers. They can do so at rates the Canadian industry cannot afford. It is to correct this that we have introduced this amendment. I see it is ten o'clock, Mr. Speaker. I will resume when this matter is next before the House.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

GOVERNMENT ADMINISTRATION—ALLEGED DISCREPANCY BETWEEN ITEM IN ESTIMATES AND IN PAMPHLET "HOW YOUR TAX DOLLAR IS SPENT"

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, on Thursday, February 26, I endeavoured to ask a question of the President of the Treasury Board (Mr. Chrétien) respecting the veracity of a statement contained in the document "How Your Tax Dollar is Spent" which was tabled by the minister at the time he tabled the main estimates for 1976-77.

I feel that I must have worded the question badly since the Chair ruled that it ought to be put to the minister when he is before the standing committee. Certainly any questions dealing with spending by the Treasury Board should be put to the President of the Treasury Board in committee. And of course any questions dealing with the details of spending in the Department of Energy, Mines and Resources should be put to the Minister of Energy, Mines and Resources (Mr. Gillespie) in committee.

However, the question I had was not with regard to the estimates or the spending by these departments, but rather with regard to a statement in the pamphlet "How Your Tax Dollar is Spent". In particular, on page 24 of this pamphlet in the final paragraph, indeed the final sentence of the section describing Energy, Mines and Resources, there is the statement, and I quote:

● (2200)

Main estimates for this ministry are higher in 1976-77 mainly because of the requirement for increased payments under the oil price subsidy program.

Well, looking at the estimates at page 5-4 I see that spending under the oil price subsidy program will, in fact, decrease by the amount of $250 million between the fiscal years 1975-76 and 1976-77. I realize that detailed questions regarding the nature of these expenses ought to be put to the Minister of Energy, Mines and Resources in committee, and I intend to do that. But this booklet, "How your Tax Dollar is Spent" was not referred to the committee. In the words of the President of the Treasury Board in his introduction, the booklet was designed to be—

of considerable use to taxpayers and members of the House of Commons and the Senate because of the way it summarizes the voluminous details of the Blue Book, and because of additional information provided to show the economic context in which the government planned its expenditures.

Surely that is the case only if the information contained in the book is correct. A casual look at the estimates with regard to the statement to which I referred earlier shows that it is clearly not correct.

On February 12, Mr. Speaker, this house spent a day debating a motion put forward by my hon. friend from Halifax-East Hants dealing with the question of freedom of information. During the rather high level debate which took place that day members on both sides agreed there was a need for more and better information to be supplied by the government, in particular in connection with spending programs.

In his contribution to the debate the President of the Privy Council (Mr. Sharp) said the government was in fact providing more information. He gave us an example. He said that much more information was being provided by way of white papers and documents prepared to support the budget. He might have talked about this document, "How Your Tax Dollar is Spent". It is a relatively new edition to the procedure when tabling estimates. Anyway, this, we were told, was an example of the way the government was moving, and it is a desirable direction. But it must be acknowledged that there are statements here which are exactly contrary to the facts, as one is able to glean them from that awfully complicated document, the Blue Book of main estimates.

I do not intend to rehash old pleas about the necessity of better information, particularly for members of the House of Commons. This is so obvious that it should not require any elaboration. It is necessary for the functioning of our system that there should be less secrecy and more openness about spending.

The President of the Treasury Board has been moved to tell the House how difficult it is to curtail government spending. Well, Mr. Speaker, the C. D. Howe Research Institute gave some excellent advice when it stated that the first place the government should start in its program of restraint was by providing the public with better information as to how money was being spent and the problems the government was encountering in trying to hold down growth in government spending. Part of that is a requirement for more openness and honesty.

This might be an honest mistake in the document, it might not. As I read the document it is less information about how your tax dollars are spent and more of an apologia for the government's inability to control government spending along the lines that were promised the Canadian people in the budget and many times since.

Mr. Lloyd Francis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the booklet to which the hon. member refers, entitled "How Your Tax Dollar is Spent", provides comparisons between budgets printed in the Blue Books of main estimates of two consecutive years. In this case, the 1965-76 Blue Book displayed oil import compensation payments as $1,300 million, and the 1976-77 Blue Book displays these payments as $1,410 million.

Mr. Andre: What book are you reading?

Mr. Francis: When the hon. member reads my statement I think he will understand what I am saying. I just ask him to hear me out; I think it will be self-explanatory. Therefore, comparison of these figures identifies an increase of $110 million, as the hon. member pointed out.

However, the amount printed in the 1975-76 Blue Book was supplemented during the course of the fiscal year by $385 million, bringing the total program up to $1,685 million. This was displayed in supplementary estimates "A" of this year and is displayed as total 1975-76 program cost in the 1976-77 Blue Book. It is because of that supplementary estimate that the program, as it appears in next year's Blue Book, shows a decrease of $275 million. The hon. member is perfectly right in calling attention to the difficulty of getting documents printed on a basis that includes the latest information, including supplementary estimates tabled in the House. That is the explanation of the particular discrepancy to which he points.

RESEARCH—SUGGESTED RECONSIDERATION OF FREEZE ON FUNDS

Mr. David Orlikow (Winnipeg North): On January 27, Mr. Speaker, I asked the Acting Prime Minister whether in view of protests that the Prime Minister (Mr. Trudeau), the minister of state in charge of science and technology and the Minister of National Health and Welfare (Mr. Lalonde) were receiving from all sectors of the scientific community regarding the virtual freeze on research funds provided to universities, the government would reconsider its position. The Acting Prime Minister replied that there would be no change.

I have refrained until now from pursuing the question further because I hoped that the protests, which I knew were continuing to flow into the Prime Minister's office, might give the Prime Minister some understanding of the horror which the government's freeze has created for the scientific community.

Let me put on the record some of the comments that have been made. The President of the National Research Council, Dr. W. G. Schneider, said among other things:

Canada will not be able to hold its own in the international market for new and improved manufactured products in a few years time because of these research cuts.

Dr. Gerhard Herzberg, one of Canada's new Nobel prize winners, charged in Ottawa in February that government bureaucracy and cost cutting have stifled the creativity of Canada's scientific researchers. He said:

● (2210)

. . . that pure, not applied, science had suffered most from government cutbacks. Basic research funds increased minimally in the past five years, he said, at a time of high inflation. As a result, actual government spending in pure science declined by about half.

What this means can be seen very quickly if one looks at a letter written by the President of the Medical Research Council, Dr. Malcolm Brown. I shall quote just a few sentences from his letter in which he outlines what the Medical Research Council is doing in order to meet the constraints put on it by the government:

The Visiting Scientist, Research Professorships and Summer Undergraduate Research Scholarships programs have been suspended for 1976-77.

The June 1976 grants competition has been cancelled. General Research Grants have each been reduced by one third for 1976-77.

A 3 per cent cut will be made in the operating component (exclusive of support provided for approved trainees and professional assistants) of all MRC grants for 1976-77 except term grants in their third year and terminal awards, . . .

Let me place on the record a few quotations from some of the letters which have gone to the Prime Minister. Here is one from my province from Professor J. C. Haworth, Professor of Pediatrics at the University of Manitoba Health Sciences Centre. He states:

Reduction of our research programs will have the following results:

1. Since about 70 per cent of our research funding is used to pay salaries, the reduction in the value of research funds will inevitably require the discharge of some technical staff. Quite apart from the personal hardship this will cause, it must be recognized that many of these people are highly trained and skilled in their work and it will take years to train others to the same level of competence when research funds again become more plentiful.

Here is a letter to the Prime Minister from Dr. D. G. Scraba, Associate Professor of the Department of Biochemistry at the University of Alberta. He says:

While I support your government's intention to control its spending, I seriously question its priorities for restraint. Surely the saving of $7,000,000 from the total federal budget cannot justify the harmful immediate and long-term effects upon medical research in this country.

He concludes by saying:

The net result of these restrictions will be to retard progress now, and to seriously imperil the future of medical research in Canada. Once momentum and enthusiasm has been lost in this field a substantial period of time will be required to regenerate it.

I could go on, but I just want to say that when the government restricts scientific research to the few millions of dollars it has this year, when we have a budget of well over $30 billion, to say the least it is being pretty stupid about priorities, particularly when one keeps in mind the kind of criticism of government spending the Auditor General made in his last report.

Let me put on the record a few of the comments of the Auditor General. He points out that rental costs for unoccupied space in Ottawa were $487,000 in 1974-75 and will probably be $4.5 million in 1975-76. Let me point out that the Department of National Defence is to construct a language centre at its base at St. Jean at a cost of $88 million.

[Mr. Orlikow.]

Let me point out that we are spending something in the neighbourhood of $1 billion to construct the Olympic facilities for a three weeks' spectacular. Let me point out that we spent $10 million on the Pickering Airport which has been abandoned. Finally, in the last six years when the government has been talking about restraints, the number of executive employees has grown from something under 400 to over 1,000, an increase of two and a half times. I am talking about senior civil servants who earn from $30,000 to $65,000 per year. It seems obvious to me that when the government talks about restraint and imposes the kind of restraint which it has imposed on the scientific community, it is not only stupid but, to say the least, criminal.

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Science and Technology): Mr. Speaker, I welcome the words of the hon. member for Winnipeg North (Mr. Orlikow) who has expressed a sincere and genuine concern about the amount of money which is available at any time for scientific research.

The hon. member is an experienced parliamentarian and has been in this House for a good long while, and he knows full well that the government has been fully committed and remains committed to the maintenance and development of a national capacity to perform research when that research is in the field of natural, medical, or social sciences. Research leads to new knowledge, and hopefully that knowledge will become available for applications which can be useful to the human condition. We all recognize that. Most of our basic research over the years has been directed toward the universities because we know that there is the greatest freedom and stimulation for a very high quality of basic research.

Hon. members know what has been happening in the universities, particularly in the 1960's. During that period of time undergraduate enrollment in universities doubled, and post graduate enrollment increased five-fold. During this period we only need to ask ourselves what was the participation and the role of the federal government? The budget of the research council for grants and scholarships during that same period of time increased annually by the amount of 20 per cent.

Mr. Orlikow: What has happened in the last couple of years?

Mr. Penner: Every member of parliament with an ounce of fiscal commonsense knows that this pattern of expenditures simply could not go on indefinitely. A change in emphasis in government spending was bound to occur, and that is the situation in which we find ourselves at the present time. We realize now, somewhat painfully, that we are in a time of fiscal restraint, and every segment of our economy must bear its share of the burden in this effort to reduce inflation. That includes the scientific community.

Unfortunately, scientific research cannot be an exception. There are budgetary restraints and there is a budgetary discipline, and I believe that the scientists and researchers in Canada can learn to live with that because it certainly does not mean that there will be a dismantling

of our research teams. It does mean learning how to live within the present constraints. That is a challenge all of us are facing, but I for one have a great deal of confidence in our Canadian scientists and researchers and I believe that, despite these financial restraints which have been imposed on them and other segments of the economy, they will continue contributing to the pool of knowledge which we expect and need.

PENITENTIARIES—BRITISH COLUMBIA—REQUEST FOR REPORT ON SEIZING OF HOSTAGES

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, on February 19 three well known desperadoes in the New Westminster penitentiary managed to find themselves in a place where they could capture three hostages and hold them at bay while they entered into negotiations with federal authorities. On that day I rose in the House and asked the Solicitor General (Mr. Allmand) whether there were any weapons of any type involved when these hostages were seized, whether it happened during the time when the prisoners were being transferred, and what the circumstances were.

First I should like to thank the Solicitor General for his candid answer on that day at a time when he was under severe tension because the hostages were still being held at knife point in the B.C. penitentiary. However, there has been nothing said by the minister which would shed further light on this incident, and the whole case brings into question the administration of the federal penitentiary system in Canada. There are some very serious unanswered questions. I have been through that penitentiary at least twice and have seen the former security area and at one time the solitary confinement area, popularly known as "the penthouse"—an impregnable area.

● (2220)

As soon as the supreme court judge issued his judgment on the matter of cruel and unusual treatment the administrator of the federal penitentiary in New Westminster almost fell over himself to remove prisoners from the maximum security area and establish a new section known as the administration segregation unit.

The first question I should like the parliamentary secretary to answer is why the administrator was in such a hurry to move those prisoners from the maximum security area to the new area which had been so recently constructed. I am very certain no court order was issued commanding the administrator to transfer them to the new unit. Who authorized him to do that, and why was he in such a hurry?

Second, when these men were known to be such desperate criminals, why were three of them in such close proximity? Why were three of them in a position to remain in the exercise area that day so that they could hold three hostages until their demands were met? Why were they all free at the same time?

I would point out to the parliamentary secretary that one of the prison guards, Mr. Crawford, opened the door for Mr. Lucas, who was one of the three men who held the 15 hostages last June. Mr. Jarvis opened the door for Mr. Lowe. Who opened the door for Mr. Bruce? All three desperados were free at the same time.

These questions have not been answered, Mr. Speaker. If we are to have a secure prison system why were those three men free at the same time? Where did they get the knives? Is there no security system to check knives and all the other prison utensils when prisoners finish their meal? What kind of administration allows such loose surveillance of the utensils the prisoners use?

The final question is the fundamental one. It would seem that the routine order transferring these men, or allowing them to exercise, allows only one person to exercise at a time. That seems an obvious and sensible policy, but it would appear that the routine order had been changed that day so that three of them got out at the same time. I wonder if the Solicitor General would agree to table in the House the routine order for that day so that members could see what had been done so that three men were free to exercise in the court at the same time.

We are about to debate a measure dealing with peace and security. That type of legislation becomes somewhat of a mockery if, at the same time the government puts it before us, there is sloppy administration in the prison system. How is it possible to pass further legislation in this House when the laws of the land are being violated with impunity?

I simply pose these questions to the parliamentary secretary, Mr. Speaker. Why was it that Mr. Maurice Ford, who went in to help the men for whom he was responsible, was not given support by the administration of the penitentiary when he was held at ransom? What man in his right mind is going to work in the penitentiary if he gets no more support than Mr. Ford got on that day? I think the Canadian people and the House deserve some answers about the administration of our penitentiaries by officers appointed by the Solicitor General. I would hope the Solicitor General will answer these questions so that we will see he has a responsible attitude toward the administration of justice in the land.

Mr. Hugh Poulin (Parliamentary Secretary to Solicitor General): Mr. Speaker, I know the hon. member for Surrey-White Rock (Mr. Friesen) is concerned and that many of the questions he has asked tonight cannot be answered until the commission of inquiry ordered by the Commissioner of Penitentiaries has been completed.

At the time the initial question was answered the Solicitor General (Mr. Allmand) was able to provide some particulars, and I may be able to provide further at this time.

As a result of a judgment rendered by the hon. Justice Heald of British Columbia, changes were made in the conditions of segregation at the British Columbia penitentiary. The inmates who were involved in the recent hostage taking incident, namely, Messrs. Lucas, Bruce, and Lowe, had been transferred from the special correctional unit on the top floor of the British Columbia penitentiary to a special area isolated for the purpose of segregation, but located in the main dome area of the British Columbia penitentiary. This area was especially isolated for the purpose of holding inmates in segregation. They were accommodated in the same type of cells as provided for the rest

of the inmate population. That particular range of cells in which the incident took place was under the control of the correctional officers.

The Solicitor General earlier stated in the House that the incident occurred at approximately 0820 hours Pacific time. The three inmates seized three correctional officers and held them in one end of the administrative segregation area, B-7. They had five kitchen knives which they had filed down, and what officials believe to be a container of acid. The incident ended shortly before 2300 hours on the same day. Neither staff nor inmates were injured.

Some of the demands of the three inmates were related to minor problems of administration which the director, after consulting with the commissioner, agreed to take action upon. Another demand was that changes be made with respect to the procedures governing inmate disciplinary courts. The director could not agree to this matter as it was beyond his jurisdiction. However, this demand was referred to the Commissioner of Penitentiaries for his consideration. The commissioner declined to make any comment on this matter except to state that this matter had been looked at in detail by the Vantour report. The penitentiary service will be giving their official reaction to this report in the near future.

The inmates further requested that they be transferred to the Dorchester penitentiary. This request was agreed to, and at this time the transfer of two of the inmates is completed. The third inmate involved appeared in court in British Columbia on March 3 and was subsequently transferred to Dorchester penitentiary.

I wish, Mr. Speaker, on behalf of the Solicitor General, to take this opportunity to commend all these persons in authority who were involved in this incident for having been successful in obtaining the release of the three hostages without any injury or loss of life to either personnel or inmates. He also wants to thank Miss Winfield, Mr. Hogan, and Mr. Siegfried for their most valuable co-operation in this matter.

An inquiry has been convened into these incidents and it is the minister's intention to inform the House of the results of this inquiry in due course of time. For this reason the minister would be most reluctant to comment on the details of the incident and risk prejudicing anyone involved in this case. May I again thank the hon. member for his extreme interest in the matter.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Friday, March 5, 1976

The House met at 11 a.m.

ORAL QUESTION PERIOD

[*English*]

ADMINISTRATION OF JUSTICE

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—FREEDOM OF CHIEF JUSTICE OF QUEBEC TO INTERVIEW MINISTERS

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, may I direct a question to the Minister of Justice? Without accepting the position of the government that the chief justice of the province of Quebec should be asked to act as conscience of the government in place of the Prime Minister, may I ask if the chief justice will be completely free to interview ministers and obtain ministerial papers, documents or other permanent records?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, without accepting the premise of the hon. member's question, may I say this: the Chief Justice of the Superior Court of Quebec has been asked, as I think is proper and in line with my view of the independence of the judiciary and separation of powers, to indicate to me any information that he feels it is appropriate to give me relating to unwarranted attempts to interfere with the proper administration of justice in his courts.

Mr. Hnatyshyn: Mr. Speaker, the minister did not answer my question. I was asking about the position of the government. For example, the Minister of Public Works raised the matter of privilege with respect to conversations he had with the Minister of Consumer and Corporate Affairs. I ask the minister if the chief justice will be given the opportunity to interview the Minister of Public Works and other ministers with respect to any intervention, alleged or otherwise, with the judiciary.

Mr. Basford: Mr. Speaker, I am sure that if the chief justice of the Superior Court wants to do that, the ministers and members of the government will co-operate fully.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REFERENCE TO INTERVENTION BY MINISTER OF PUBLIC WORKS

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, may I direct my final supplementary question to the Minister of Public Works? On Wednesday the minister is reported to have said, on page 11457 of *Hansard*:

> I had a conversation, also with the associate chief justice of Quebec, along, as I discovered, with a great many other public spirited citizens who had taken part in trying to effect a solution to a rather difficult and, to some degree, unprecedented problem.

My question is this: does the minister admit that, along with others, as a minister of the Crown he attempted to effect a solution by acting on behalf of the Minister of Consumer and Corporate Affairs?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I do not think it would be particularly helpful if one were to try to anticipate what may be the views formulated by the Chief Justice of the Superior Court of Quebec.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—RECOMMENDATIONS OF MINISTER OF JUSTICE CONCERNING INTERVENTION BY MINISTER OF PUBLIC WORKS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I direct a question to the Minister of Justice, the chief legal officer of Canada, with regard to the confession of the Minister of Public Works. That minister, when answering me on Wednesday last said, in part, as reported on page 11457 of *Hansard*:

> Indeed, the only intervention that would be contemplated by me would be one to see that he was in full knowledge of the facts—

Meaning the judge, the minister having been in touch with the associate chief justice. I continue—

> —and did his duty.

My question to the chief law officer of Canada, Attorney General and Minister of Justice, is this: has the minister, in view of the confession made by the Minister of Public Works that he intervened, and tried to tell the judge how to do his duty, made recommendations to the Prime Minister? Has he made any recommendations relating to the impropriety of the executive engaging in that kind of intervention with the judiciary?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the Minister of Public Works went on to say, again as reported at page 11457 of *Hansard*:

> I did not attempt to influence the decision.

As I indicated on Wednesday, although Mr. Justice Mackay's letter asked me to take no action I felt it incumbent on me to ask my colleagues for an explanation, which I received. The information indicates no attempt on their part to interfere with the course of justice.

Mr. Baker (Grenville-Carleton): That's a whitewash.

Mr. Basford: Therefore, as I indicated previously, I do not intend to make a further recommendation to the Prime Minister or government until I have followed what I regard as the proper course of allowing the "chief" justice of the Superior Court to give me any information and

details which the chief justice deems proper to give me in the circumstances.

● (1110)

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—POSSIBILITY OF OBTAINING LEGAL OPINION ON INTERVENTION BY MINISTER OF PUBLIC WORKS

Mr. Eldon M. Woolliams (Calgary North): Yesterday the Minister of Justice answered a question put by the hon. member for St. John's East. He pointed out two matters that would be crimes under the Code, one of which would be and I quote from page 11489 of *Hansard*:

—to have a private communication for the purpose of influencing a judicial decision.

It is easy for a fellow to say he did not influence the jury. It is similar to defending someone for murder. I have never heard anyone tell his counsel he was guilty. The facts determine whether he is guilty. In light of the two points of law raised in the minister's answer to the hon. member for St. John's East, has he referred those two matters to his legal officers in view of the self confession of interference by the Minister of Public Works?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the words I was using yesterday are from Halsbury's definition of the nature of private communications, which amounts to criminal contempt. As the hon. member knows, that is a proceeding to be taken by a judge. In all three instances, no such proceedings have been taken.

Mr. Woolliams: Mr. Speaker, I know that the Minister of Justice will want to answer this question. Is he prepared to refer the matter to his legal officers? I respect Halsbury's Laws of England. However, as the chief legal officer of Canada, is the minister prepared to refer the matter to his legal officers to get an opinion rather than just refer to certain precedents and come to his own decisions without an opinion from his legal officers?

Mr. Basford: As an eminent lawyer in Calgary, I think the hon. member knows that contempt proceedings are not taken at the instance of the Attorney General of Canada, but at the instance of the judge himself. No such proceedings have been taken. In answer to the hon. member, I may indicate that in the course of my duties, I have many communications with chief justices throughout Canada on a whole range of matters relating to salaries, retirement, workloads and work with the judicial council. In no instance has any chief justice ever brought to my attention an attempt to interfere with the course of justice by members of the ministry.

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SPORTS

SUMMER GAMES AT ST. JOHN'S—FAILURE TO CALL TENDERS FOR CONSTRUCTION OF MAIN SPORTS COMPLEX—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in the absence of the Minister of National Health and Welfare, I will direct my question to the Acting Prime Minister. It concerns the summer games that are to be held in St. John's, Newfoundland, in 1977. As the Acting Prime Minister is aware, the federal government will be spending several million dollars as their share in the financing of these games. Is the Acting Prime Minister aware that the contract involving the principal expenditure of some $4.5 million for a main sports complex has been granted to a company without going through public tender?

Some hon. Members: Oh, oh!

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I was not aware of that fact.

Mr. Broadbent: Both local councillors and a local newspaper have raised this issue with particular reference to the fact that the company which got the contract without tender is in fact owned by Mr. Andrew Crosbie who is chairman of the summer games association. Is it the Prime Minister's view that this procedure is appropriate, bearing in mind the fact that in the past public tendering for the summer games has been a condition insisted on by the federal government, as I understand it?

Mr. Sharp: I will inquire into the circumstances. I understand it is not suggested that the federal government is awarding this contract. Do I understand correctly that it is some other authority which was awarded the contract?

Mr. Broadbent: The minister is correct in that assumption, according to my information; the contract has been awarded by the local committee. Nevertheless, a substantial portion of the money is coming from the federal government, approximately one-third, hence the reason for concern on the part of the federal government. Would the Acting Prime Minister undertake to make an inquiry and ascertain why calling for tenders was not insisted upon by the federal government, though this was the case in the past, and, more specifically, will he investigate the possibility of a conflict of interest in view of the fact that a contract was awarded to a company owned by the chairman of the summer games committee?

Mr. Sharp: I will undertake to make those inquiries, Mr. Speaker.

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ADMINISTRATION OF JUSTICE

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—INQUIRY WHETHER LEGAL OPINION SOUGHT ON INTERVENTION BY PRIME MINISTER'S PRINCIPAL SECRETARY

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Justice dealing with the Prime Minister's conclusion that a lawyer, who was also principal secretary to the Prime Minister, made a legitimate intervention.

The minister realizes that there is a cardinal rule that there should be no intervention by anyone, particularly by lawyers, during the course of a trial by a judge. Was the then minister of justice asked for an opinion as to this course of action by a lawyer and in particular was the hon. gentleman's opinion sought before the Prime Minister con-

cluded that this was a legitimate intervention, and, if so, what was the advice given?

Hon. Ron Basford (Minister of Justice): With respect to the first part of the question, because all this was seven years ago, we are endeavouring to determine the answer to that question. With regard to the second part of the question, the explanation by the then principal secretary, now Minister of National Health and Welfare, was provided to myself and to the Prime Minister. As the Prime Minister explained yesterday, it was a request on behalf of a foreign government which was concerned about matters in its own country and wished to know the date when a judgment would be made, and that was the purpose for the communication with the judge.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REQUEST THAT OPINION OF BAR BE OBTAINED ON RULES FOR INTERVENTION BY LAWYERS

Mr. Lincoln M. Alexander (Hamilton West): In the light of the dangerous precedent set by the Prime Minister in terms of his calling the intervention a legitimate one, would the hon. gentleman contact all bar associations and law societies throughout the country to get an opinion on interventions of this sort and to determine whether there is one rule for lawyers who are members of parliament or who work in the Prime Minister's office or for the government and another for lawyers not so engaged?

Hon. Ron Basford (Minister of Justice): I think the Prime Minister made the position very clear yesterday, both inside and outside this chamber, that all ministers and members of the House are expected to obey the law just as any other citizen.

Mr. Alexander: Would the minister kindly answer my question? This is an extremely important matter. Bar associations throughout the country will be extremely concerned. I ask him again whether he will take this matter up with the presidents of the bar associations and law societies so as to make sure there are not two rules affecting lawyers?

Mr. Basford: I would be happy to receive any views the bar or the law societies might wish to send me, but with all due respect to the hon. member's question I do not need the advice of the bar to know that members of this House and members of the government are expected, like other citizens, to obey the law.

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● (1120)

FINANCE

GOVERNMENT MEASURES TO IMPROVE GROWTH OF GROSS NATIONAL PRODUCT

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of Finance. Since it appears that the worst GNP growth performance since 1954 indicates a complete lack of confidence in the economic management of the federal government, may I ask the minister whether he can explain what steps the government is taking to improve the growth performance in the economic sector, or is the government committing the country to zero growth for the forseeable future, or certainly for the next few months?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would invite the hon. gentleman to read with some care the Statistics Canada analysis of March 4 of the figures for 1975. He will note, as I have stated many times in the House during the past several months, that the principal underperformance of the economy has been in the export sector, particularly because of the slow recovery of the major export markets such as the United States, Japan and western Europe from the much deeper recession that they went into than did Canada.

We notice that in terms of domestic products, for example in the durables sector, and indeed with the recent spectacular increase in the housing sector, the economy in Canada itself is very clearly responding to the measures that my predecessor put forward and that the Minister of State for Urban Affairs in charge of housing put forward to assist the domestic economy. However, we have to be concerned at the recovery of world markets upon whose success the economic success of Canada is so dependent.

Mr. Murta: A supplementary question, Mr. Speaker. The most significant news in that the pace of growth in the last quarter was only one-third the pace of the growth in the previous three months, so certainly I would question the minister's statement of a few moments ago. Since it seems to indicate that Canada is having a very difficult time coming out of its own recession, is the government contemplating the updating of its spring budget in order to deal with the serious matter of Canada's very sluggish economy?

Mr. Macdonald (Rosedale): Mr. Speaker, perhaps the best I can do is to read to the hon. gentleman what Statistics Canada had to say about the fourth quarter:

> The fourth quarter weakness was reflected by a very moderate 1.6 per cent increase in wages, salaries and supplementary labour income, which is by far the largest component of gross national product.

Then, reading on:

> However, to some extent this weakness is misleading, since it follows the payment of large cost of living allowances in the third quarter; these payments had the effect of raising the third quarter growth rate at the expense of the fourth, and, if they were excluded, the fourth quarter growth would have been a much more normal 3.5 per cent.

Mr. Murta: A final supplementary question, Mr. Speaker. The minister has not answered my question. The real gross national product rose by only 0.2 per cent in 1975, which Statistics Canada has indicated is the worst GNP growth performance since 1954. Is the government intending to continue on the same course it has followed over the past few months, or is it contemplating bringing in an earlier than anticipated budget to deal with the very sluggish performance of the Canadian economy at the present time?

Mr. Macdonald (Rosedale): Mr. Speaker, I can only state to the hon. gentleman that he might study more carefully the Statistics Canada report. I think he would have a better understanding of the current state of the economy, and indeed of the circumstances under which

fiscal and economic policy will have to be made in the coming year.

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[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

SUGGESTED INVESTIGATION OF INFORMATION SUPPLIED TO INTERPOL BY FORCE

Mr. René Matte (Champlain): Mr. Speaker, I would like to ask the Minister of Justice a question.

Since the RCMP may unconsciously break section 4 of the Official Secrets Act by providing Interpol with information on Canadian citizens, which are likely to be referred to the police in communist or fascist countries, would the minister order an inquiry into this matter to make sure the RCMP does not forward information to Interpol which might harm the reputation of Canadian citizens?

[*English*]

Hon. Ron Basford (Minister of Justice): Well, Mr. Speaker, as Acting Solicitor General I am not familiar with the possible effects that lie behind the question of the hon. member. I will draw it to the attention of the Solicitor General immediately and will see he receives an answer.

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ADMINISTRATION OF JUSTICE

REQUEST FOR CHANGE IN CROWN LIABILITY PROVISION WHEN INJURY CAUSED BY RADIOACTIVITY

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is directed to the Minister of Justice. Is consideration being given by the government to amending the limitation period under which the Crown and Crown agencies can be sued to make it crystal clear that in cases of physical or medical injury to persons arising from radioactivity the limitation period only starts running when knowledge of the damage becomes known and not when knowledge of the radioactivity or cause of the injury occurs? Am I making myself clear? In other words, will it be made certain that a lawsuit need not be started until it is obvious that injury has occurred as distinct from having to sue when knowledge of the exposure occurs?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the question or the issue is clear to me. I indicated at a meeting of Attorneys General in Halifax last October that I was considering revisions to both the Federal Court Act and the Crown Liability Act. That consideration is still underway. I am not in a position to say at this point when I will be able to make recommendations to my colleagues or when legislation might be introduced. However, the issue the hon. member's question raised is under consideration.

Mr. Lawrence: Mr. Speaker, I wonder if it would be possible for the minister to put this on a rather higher priority than it obviously is at the moment, because the issue is very topical in certain areas of the country.

[Mr. Macdonald (Rosedale).]

Mr. Basford: Mr. Speaker, certainly I recognize the importance of the issue, and particularly its importance to the people the hon. member represents in this House. I regard it as a priority, but of course we seem to have an immense number of priorities in this country and in this House. It is a case of when the recommendation by me can be finalized and when it can be dealt with by Cabinet or by this House.

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IMMIGRATION

DEPORTATION OF ROOSEVELT DOUGLAS—POSSIBILITY OF REPRESENTATIONS BY MINISTER OF NATIONAL HEALTH AND WELFARE

Mr. Jake Epp (Provencher): Mr. Speaker, in the absence of the Minister of Manpower and Immigration I should like to direct a question to the Acting Prime Minister. It concerns the Sir George Williams incident and the case of Roosevelt Douglas. I should like to ask the Acting Prime Minister if he could inform the House whether the Minister of Manpower and Immigration received any ministerial representations regarding the deportation of Roosevelt Douglas from Canada who was convicted in the Sir George Williams incident?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will make inquiries, but I should have thought any communication between ministers was privileged.

Mr. Epp: Mr. Speaker, could I ask the Acting Prime Minister the following question: Would he inform the House whether the former principal secretary of the Prime Minister, now Minister of National Health and Welfare, made representations to immigration officials to either accelerate or delay deportation proceedings which were initiated against Roosevelt Douglas and which still have not been completed, especially in view of the fact that the Prime Minister said yesterday that intervention had taken place by his principal secretary at that time as a result of the request of a friendly government because if the deportation and the trial carried on difficulties could occur in that friendly country?

Mr. Sharp: Mr. Speaker, I will make inquiries. I am not quite certain, however, what the purpose of the inquiries would be. The government did take action against Rosie Douglas with the intention of deporting him. That was done by the minister and supported generally by the Cabinet.

* * *

FISHERIES

REQUEST FOR DEFERRAL OF RESTRICTIONS ON TAKING RED FISH IN GULF OF ST. LAWRENCE—GOVERNMENT POSITION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of State for Fisheries. In view of the profound effect of the restrictions placed on the taking of red fish in the Gulf of St. Lawrence and in view of the concern on the part of the fisheries

industry and the provincial governments of Nova Scotia and Newfoundland which have requested that the restriction be deferred until they can review its impact would the minister indicate whether he has agreed to that representation and what action he will take on it?

● (1130)

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I apologize for having been absent when the hon. member first rose. This matter of the red fish had been made known in 1973 at a meeting in St. John's, Newfoundland and it produced then fairly dramatic headlines. At the time it was indicated that by 1975 the stocks would be depleted. Better management, with the help of the industry, allowed us to stretch the stock into 1976. However, we are now looking at the spawning stocks and no one in the industry wants us to destroy that part of the fishery. The quota limitations that were announced were hinted at very clearly in December of last year.

At the request of the industry, a scientific report was produced on February 11. When it was brought in, it was very pessimistic and therefore action had to be taken. The industry knew that there would be serious limitations in the quota this year. The large trawlers which were fishing in the gulf went to the level of their percentage of the quota in comparison with the previous years. Had we not intervened to close the red fish fishery now, there would have been nothing left for those vessels which are based in the gulf. They do not have the capacity to go outside the gulf and therefore would have had nothing left at all when their time came to fish in May.

Mr. Marshall: As the minister stated, the fact is that everybody knew that this fishery was being seriously depleted. As a matter of fact, in 1973 it amounted to 163,000 metric tons and in 1974 it went down to 63,000 metric tons. Would the minister explain why action was not taken at that time, action which would have been less severe, and would he also explain why Canada agreed at the ICNAF meetings to 90,000 metric tons quota, 60,000 metric tons of which went to the Russians? Is this reasonable with regard to Canadian fishermen and the future of our fishing industry?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I hope you will be patient with me because my explanation might take longer than I would like. The 1973 information was based on the class 1956-58 fish which were by then mature and which had to be caught, otherwise they would have died of old age.

Some hon. Members: Oh, oh!

An hon. Member: That is what the Liberal government is doing.

An hon. Member: The geritol age.

Mr. Speaker: Lest the explanation might die of old age as well—

Some hon. Members: Hear, hear!

Mr. Speaker: —I wonder if we are not starting a series of questions that should properly be asked of the minister when the estimates are before the standing committee. I think an expanded explanation is in order and I do not wish to interfere, but if we are to pursue the matter vigorously, it might be done there, unless there is a brief explanation.

Mr. LeBlanc (Westmorland-Kent): These fish were competing for food supplies with other fish and everybody accepted they had to be taken until we had reached the level of the spawning stock. This level has now been reached, and that is why we had to apply conservation measures. This is a gulf of St. Lawrence quota and is a strictly Canadian managed fishery. Foreign fleets are not fishing directly for red fish in the gulf, and it has no immediate relation with the IGNAF quota.

Mr. Marshall: Regardless of what the minister says, the fishing industry in Newfoundland is almost obliterated and it will mean the loss of hundreds of jobs to fishermen. Is the minister taking into consideration the depressing effect on the economy of Newfoundland, and has he consulted with the Minister of Regional Economic Expansion in order to provide some input or is he himself considering any compensation to the fishermen?

Mr. LeBlanc (Westmorland-Kent): It must be pointed out that although the red fish fishery is closed, the fishermen can fish other species in the gulf, such as cod. The industry has known about the coming reduction and it certainly can adjust to it, as fishermen in Nova Scotia have adjusted to the three months closure of the haddock fishery at spawning time. We have an assistance program for the fisheries, including some assistance which will be announced in the next few days. The industry at this point has caught its share of red fish and it simply must adapt itself to others having their share, too.

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THE CANADIAN ECONOMY

UNEMPLOYMENT—GOVERNMENT MEASURES TO REDUCE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a question for the Minister of Finance. In view of the report by Statistics Canada that last year the Canadian economy recorded its worst growth performance since 1954 with an increase in real GNP of only 0.2 per cent, and since the average rate of unemployment for 1975 was over 7 per cent during the entire year, would the minister indicate what steps if any the government proposes to take to deal with the undoubtedly higher rate of unemployment which we will face in 1976?

Hon. Donald S. Macdonald (Minister of Finance): As I have said a number of times in the House, we intend a little later in the spring to make a budgetary statement. It seems to me that that kind of comprehensive statement is best made in the context of the budget.

Mr. Orlikow: In view of the fact that provincial and municipal governments are following the example of the federal government in instituting programs of restraint, as exemplified by lay-offs by municipal governments, hospitals and provincial governments in the hundreds of thou-

sands, even in the minister's own city of Toronto, will the minister tell the House what suggestions he has for those governments or for those hundreds of thousands of people who will be laid off as to what they might do in the year 1976 to take care of their problems?

Mr. Macdonald (Rosedale): I think one might want to look a little more closely at the assertion of hundreds of thousands that the hon. member makes. I will only say that an integral part of the fight against inflation, in which all provincial governments and the federal government are engaged, has been to try to restrict the growth expenditures in the public sector. I think this is generally recognized, except by the hon. gentleman's colleagues, as an integral part of what has to be a national effort to take part in solving the problem.

* * *

NATIONAL DEFENCE

POSSIBILITY OF CLOSURE OF BASE OF MONCTON—REQUEST FOR CONSULTATION WITH LOCAL ORGANIZATIONS

Mr. Leonard C. Jones (Moncton): Mr. Speaker, my question is directed to the Minister of National Defence. Will the minister please inform the House whether he or his staff have had any discussions whatsoever with the provincial government, the municipal authorities, the chamber of commerce in Moncton and the labour organizations in Moncton with regard to the economic impact of the possible and rumoured closure or reduction of the Canadian Forces Base Moncton resulting in lay-offs and serious economic effects on the community generally and the whole area of southeastern New Brunswick, and will consideration be given to the fact that already hundreds of people have been laid off by CNR and several hundreds of people have received lay-off notices as a result of the closure of the Eaton's catalogue department?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I am not able to respond directly concerning any bases while the infrastructure study is underway. I have made that clear on a number of occasions. I am certain, however, that my personnel who are examining the whole infrastructure will be familiar with some of the problems affecting the economy of Moncton, particularly the closure of the Eaton's catalogue office and the other points mentioned by the hon. member.

Mr. Jones: Mr. Speaker, my supplementary is again addressed to the Minister of National Defence. What I am concerned about is whether any discussions will be conducted with the authorities I have mentioned.

Mr. Richardson: If it is necessary to do so, of course there will be discussions.

[Mr. Orlikow.]

ELECTIONS

VIEWS OF CHIEF ELECTORAL OFFICER ON LENGTH OF CAMPAIGNS—LENGTH OF TIME ST. JOHN'S WEST WITHOUT REPRESENTATION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, Friday is my day to clear up anomalies so that they will not hang around over the weekend. I want to put a question to the President of the Privy Council. Does he not think it curious that the government's announcement about a by-election in St. John's West next October 18—which I think is the diamond jubilee of the Prime Minister, although I have not checked it—was made at the very time when the Chief Electoral Officer of Canada was before the Standing Committee on Privileges and Elections with recommendations to substantially shorten the time of national campaigns?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I hope it is the hon. member's expectation, as it is mine, that the recommendation of the Chief Electoral Officer will be accepted so that when this happy event occurs, when the by-election is called on the Prime Minister's birthday, it will be run more efficiently and take less time.

● (1140)

Mr. Fairweather: A supplementary, Mr. Speaker. Does the President of the Privy Council, whose responsibility it is to have the government participate in its so-called participatory democracy, realize that by waiting until the Prime Minister's birthday this will be the longest vacancy in the 109 year history of parliament and is he proud of this?

An hon. Member: Shame!

REASON FOR DELAY IN CALLING BY-ELECTION IN ST. JOHN'S WEST

Mr. James A. McGrath (St. John's East): Mr. Speaker, my supplementary question is for the Acting Prime Minister. Notwithstanding the importance of the Prime Minister's diamond jubilee, can the Acting Prime Minister explain to the House why it was necessary to put off this by-election until October 18 which will mean that the people of St. John's West have been without representation in this parliament for 13 months?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the government made its decision to call the by-election with a full understanding of all the facts.

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EXTERNAL AFFAIRS

INDIA—GUARANTEES SOUGHT PRIOR TO RESUMPTION OF TRADE IN NUCLEAR MATERIALS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, in the absence of the Prime Minister and the Secretary of State for External Affairs I should like to direct my question to the Acting Prime Minister. Because

of the manner in which India has violated agreements on nuclear detonations in the past, and because a member of the Prime Minister's staff is presently in India to discuss a resumption of Canadian nuclear assistance to that country, what kind of guarantee is being sought in order to ensure that a repetition of the Rajasthan explosion of May, 1974 does not occur?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it was because this Indian government did not accept our interpretation of the agreements that we cut off nuclear co-operation with India and also reduced the amount of our aid. Both of these subjects are still under consideration. Our objective is to try to avoid any more nuclear explosions by the state of India, but of course this is a decision over which we do not have control.

INDIA—POSSIBILITY SIGNING OF NON-PROLIFERATION TREATY CONDITION PRECEDENT TO RESUMPTION OF TRADE IN NUCLEAR MATERIALS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, as a supplementary I should like to clear up two points. Is the government of Canada making India's ratification of the nuclear non-proliferation treaty a condition to the further export of Canadian nuclear supplies to that country and will members of this House of Commons be provided with an opportunity to examine in detail and debate the merits of any proposed resumption of nuclear shipments to India before any agreement is finalized?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, if any decision is made to change the course upon which we are now engaged there will be many opportunities for discussion in this House. A motion could be put down on an opposition day; there could be discussion on the estimates and perhaps there are other ways. The government has every reason to want full disclosure of all the facts. Our purpose like the hon. member's, I hope, is to persuade India to change its course.

INDIA—REASON FOR SENDING REPRESENTATIVE FROM PRIME MINISTER'S OFFICE TO DISCUSS TRADE IN NUCLEAR MATERIALS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question to the Acting Prime Minister is supplementary to those asked by the hon. member for Kingston and the Islands. It being understood that there is of course a Canadian diplomatic mission in New Delhi headed by a high commissioner, I wonder why it should be necessary to send a non-specialist in this particular matter and not a member of the Department of External Affairs who is particularly charged with matters relating to nuclear energy? In other words, is there no trust in Canada's foreign service that someone is sent from the Prime Minister's office?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, there is every confidence in our diplomatic mission in India. I believe that a visit by a member of the Prime Minister's staff indicates that there is even more than usual concern about the matter.

An hon. Member: Oh, sure.

Mr. Sharp: There are occasions when it is desirable that there should be communication between the heads of the governments of two countries. It is done by every country in the world, and I do not see why Canada should be an exception.

An hon. Member: We want Ivan's "head".

Mr. Munro (Esquimalt-Saanich): A supplementary, Mr. Speaker. Of course, contact between the heads of governments is necessary but a high commissioner is accredited to the government of India. For further and higher representation, would it not be more proper for a minister of the government to attend on this mission and not a public servant who does not rank with the high commissioner who is already in India?

An hon. Member: Are you not going to answer that?

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NATIONAL PARKS

CAPE BRETON ISLAND—REQUEST FOR EARLY IMPLEMENTATION OF PROJECTS TO ALLEVIATE UNEMPLOYMENT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development who is in charge of the national parks. In view of the abnormally high unemployment rate in the Island of Cape Breton, the highest since the 1930's, may I ask the minister if he and the government would consider implementing immediately a special winter works program on the Cape Breton Island National Park to help out the situation, not a make-work program, but a program under which projects would go ahead as soon as possible?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I will be happy to consider the representations of the hon. member and look at the projected capital spending for the area to see if we can make some changes in it.

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FISHERIES

SEAL HUNT—MEASURES TO PREVENT VIOLENCE

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, my question is for the Minister of State for Fisheries. In view of the potentially explosive situation on the east coast of Canada with the Greenpeace Foundation's stated purpose of disrupting the seal hunt and the very well known feeling of the seal hunters, can the minister advise the House what special precautions are being taken by his department or any other government department up to the Department of the Attorney General in order to avoid violence off the east coast?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, there are certain regulations within the seal protection regulations to prevent interference with the hunt. We are also making sure that our fisheries officers

are well briefed and the legal implications of the situation are being looked into now. I should like to make two very brief comments, however. Ice conditions are extremely dangerous. The ice is very light and those inexperienced people on ice floes 40 miles at sea should understand the dangers of the situation. The other point that has to be made is that I hope the fishermen, in spite of some of the provocations they may have, will keep their cool.

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AIR TRANSPORT

REASON FOR NOTICE TO PILOTS TO EXERCISE CAUTION WHEN FLYING OVER QUEBEC

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in the absence of the Minister of Transport I shall direct my question to the parliamentary secretary. The Canadian Airline Pilots Association has posted a statement on all pilot bulletin boards in Canadian airports. Briefly, the statement is as follows:

> In view of the critical situation that has arisen in the Montreal air traffic control region, the situation that the federal government appears incapable of controlling, the Canadian Airline Pilots Association has directed its 3,000 members to exercise extreme caution when flying into or within the province of Quebec.

Would the parliamentary secretary ask the minister to investigate why such a notice has been posted, and if it is due to the government's implementation of bilingualism in air traffic control?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I do not accept some of the implications in the hon. member's question but I shall be glad to inquire why the association felt it necessary to post such a notice.

* * *

FISHERIES

LOBSTER LICENSING PROGRAM—POSSIBILITY OF DELAY IN IMPLEMENTATION UNTIL APPEALS PROCEDURE ESTABLISHED

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is directed to the Minister of State for Fisheries. So that our lobsters will not die of old age, would the minister inform the House whether the guidelines for the appeals board in connection with the licensing program this year have been completed? If they have not, and in light of the imminent season in districts 5 and 7(b), would he consider deferring implementation of the program for one year until appeals can be filed and dealt with?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I would have to check the last detail. Certainly the guidelines are in the hands of the appeal board and some boards are already functioning. Some cases have already been processed and fishermen told their licence would not be withheld and would be returned or issued. As far as deferring, I would have to look at the implications of this in relation to other areas but I think the program is working as well as can be expected under the circumstances.

[Mr. LeBlanc (Westmorland-Kent).]

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NORTHERN AFFAIRS

DATE OF PUBLICATION OF REGULATIONS GOVERNING EXPLORATION FOR OIL AND GAS IN THE NORTH

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. An answer given by the minister in committee on March 2 led members of the committee to believe that oil and gas regulations would be announced early this spring. As a report in the *Globe and Mail*, presumably based on an interview with the minister, indicates that the regulations will not be made known until fall at the earliest, will the minister now give a firm commitment as to when the regulations will be announced?

● (1150)

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, both aspects of the question contain an element of correctness. We intend to make known the regulations in the spring, in a month or six weeks. However, we are going to have difficulty getting the legislation put together and brought before the House in the fall. Both aspects are correct.

Mr. Neil: A supplementary question, Mr. Speaker. The oil and gas regulations having been suspended about six or seven years ago, and, considering the importance of new regulations for the future of oil and gas development north of the sixtieth parallel, how can the minister justify the six or seven year delay in bringing forward new regulations?

Mr. Buchanan: Mr. Speaker, this matter has been discussed at length, and raised in committee. We are aware of the concern, have met with the industry and hope to act in the next month or six weeks.

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PUBLIC BUILDINGS

PENTICTON, BRITISH COLUMBIA—ALLEGED DISCREPANCY IN AMOUNTS PAID FOR LEASES IN SAME BUILDING

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is for the Minister of Public Works and relates to the answer to my question on the order paper. In yesterday's answer the minister indicated that the government had leased a building in Penticton for $6,500 per year. In view of the fact that the Department of Manpower moved out of this building just prior to entering into this lease and in view of the fact that on May 1, 1971, another lease was entered into by the Department of Manpower for the building for $41,186.23, can the Minister of Public Works say why there is this discrepancy?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I think it was made clear in the answer to the question that the lease, which expired, was for a relatively small amount of space. Subsequently, the Department of

Manpower took over a substantially enlarged amount of space.

Mr. Whittaker: A supplementary question, Mr. Speaker. In view of the fact that the amount of space taken is less than the entire amount the building contains, I ask the minister if the government condones this type of business and if that is the way the Department of Manpower conducts its business?

Mr. Speaker: Order, please.

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FINANCE

INCREASE IN BANK PROFITS—REQUEST FOR ACTION TO REDUCE

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, my question is for the Minister of Finance. Public reports have said that bank profits in the present quarter are up by 37.3 per cent over profits in the same quarter one year ago. I ask, if monetary policy is the responsibility of the federal government, which acts through the Bank of Canada, is the minister prepared to allow the banks to continue on their high profit kick and not take action while others, particularly wage and salary earners, are being restricted to 12 per cent increases? Also, is he prepared to re-impose the surtax on profits which he recently took off as the removal of the tax has accounted for some increase in bank profits.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I remind the hon. gentleman that we recently published the criteria which will apply to the banks for restraining their profit levels. The preliminary results indicated in today's press appear to indicate that the chartered banks are ahead of the position in which they should be. They will have to take steps to reduce the levels of profits in the remaining quarters of this year, or they can expect the levy provisions of the anti-inflation program to apply to them.

To answer the hon. member's second comment, he referred to the removal of the surtax. Obviously, he was referring to removal of the export levy. That does not apply in this case. Over all, the restriction provisions of the Anti-Inflation Act will apply to the chartered banks. If they continue to run ahead of the basis which has been established for them, they can expect to have their profits reduced by that much.

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CANADIAN BROADCASTING CORPORATION

RESTRICTED COVERAGE IN ALBERTA AND SASKATCHEWAN—GOVERNMENT ACTION

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is for the Secretary of State. Does he find it acceptable that in a large area of east central Alberta and west central Saskatchewan radio and television communications are restricted? The people of the area have protested to the CBC that they can only receive signals during the daytime. The CBC responded that the coverage was for daytime only. It is unfortunate that the people of the area do not receive signals at night.

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, without commenting on the particular case, because I am not familiar with it, may I say this: I think the hon. member and his colleagues should consider that the accelerated coverage plan I announced two or three years ago is moving ahead. It is an expensive program, involving additional capital cost in the realm of $25 million over and above amounts needed for the coverage plans we had before. It will take time. I think hon. members should explain this to their constituents.

Mr. Malone: A supplementary question, Mr. Speaker. Can the minister explain to my constituents why television service promised more than one year ago is still unsatisfactory.

Mr. Faulkner: Mr. Speaker, if the hon. member is not capable of explaining to his constituents, I will be pleased to explain.

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THE MINISTRY

INQUIRY AS TO PRESENCE OF MINISTER OF CONSUMER AND CORPORATE AFFAIRS ON MONDAY

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is for the Acting Prime Minister. Will the Minister of Consumer and Corporate Affairs be in the House for question period on Monday?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker I understand that the minister is returning today and will be in the House on Monday. I do not know about his personal engagements, but I understand he will be in the House.

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INCOME TAX

FAILURE OF T-5 FORMS TO REFLECT CHANGES IN LAW—REQUEST FOR ACTION TO PREVENT PENALTIES BEING IMPOSED ON TAXPAYERS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Minister of National Revenue. As the current T-5 forms, related to the summary of investment income paid, do not reflect the 1971 changes in the Income Tax Act and are in conflict with the law, the result being that certain taxpayers are required to pay a penalty for failure to comply with regulations which are not on the forms, will the minister take steps to prevent the continuation of this practice, so that taxpayers will not innocently fall victim to penalties?

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, we are a compassionate department.

Mr. Muir: Where is your halo, Jack?

Oral Questions

[*Translation*]

PUBLIC WORKS

INQUIRY WHETHER GOVERNMENT WILL CONSTRUCT GUY FAVREAU COMPLEX

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to put a question to the Minister of Public Works.

Considering that the construction of the Guy Favreau complex in Montreal, a very interesting project was announced four years ago, that the minister advised the press last week that the project which was originally supposed to cost $140 million would probably cost twice more now and that a profitability study was still in process to reassure all concerned, would the minister tell the House whether this project is still an important objective of the government or whether it will be abandoned? If not, will the work start shortly?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I can say that the government intends to proceed in due course with the construction of the Guy Favreau complex.

* * *

[*English*]

THE PERFORMING ARTS

DATE OF REPORT OF INTERDEPARTMENTAL COMMITTEE ON POLICY RELATING TO FILMS SPONSORED BY GOVERNMENT DEPARTMENTS

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is directed to the Secretary of State. Some time ago the former secretary of state asked the President of the Treasury Board to set up an interdepartmental committee to examine the policy with regard to films being sponsored by government departments under the provisions of sections 9 and 10 of the National Film Act. Has he received the report of this Treasury Board committee? If so, will that report be tabled in the House or will the Minister be making a statement on it?

● (1200)

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I have not received the report, but I have been told I am about to receive it.

Mr. Friesen: In view of the government's intention to cut expenditures, and in view of the minister's announced commitment to help the film industry in the private sector, can we expect a policy change that would delete Sections 9 and 11 of the National Film Act and thus bring about competitive enterprise among the government departments?

Mr. Faulkner: Mr. Speaker, I would like to explore this question further with the hon. member when we get before the committee. There is no question in my mind that one of the objectives of our film policy today should be to ensure that the public sector in film is complementary to and not necessarily in competition with the private sector. The reason this development has taken place is that the private sector today is infinitely more strong than it was ten years ago. We can pursue that.

[Mr. Muir.]

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[*Translation*]

PUBLIC SERVICE

INQUIRY WHETHER AIR TRAFFIC CONTROLLERS INCLUDED IN ESTIMATE OF BILINGUAL POSITIONS

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I should merely like to answer a question put by the hon. member for Surrey-White Rock on Tuesday. The answer is yes.

[*English*]

Mr. Fairweather: Mr. Speaker, based on my wish to be accurate, I rise on a question of privilege. I am informed by my historical adviser, the hon. member for Hillsborough, that October 18 is not, in fact, the sixtieth anniversary of the birth of the Prime Minister. He is just a generation closer to it than my leader.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

ADMINISTRATION OF JUSTICE

TABLING OF BIBLIOGRAPHY OF SOURCE MATERIALS RELATING TO BILLS C-83 AND C-84

Hon. Ron Basford (Minister of Justice): Mr. Speaker, in response to a request made by the hon. member for Grenville-Carleton (Mr. Baker) for documentation on crime and statistics relating to crime, I wish to table, in both official languages, a bibliography of source materials relating to Bills C-83 and C-84. I will be tabling within a matter of days two further statistical analyses. This will be done as soon as they are available in both languages.

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

FILING OF OBJECTION RESPECTING NORTHWEST TERRITORIES

Mr. Speaker: It is my duty to inform the House that an objection signed by the hon. members for Northwest Territories (Mr. Firth), Cape Breton-East Richmond (Mr. Hogan) Regina-Lake Centre (Mr. Benjamin), Greenwood (Mr. Brewin). Yorkton-Melville (Mr. Nystrom), Nickel Belt (Mr. Rodriguez), Sault Ste. Marie (Mr. Symes), Winnipeg North (Mr. Orlikow), Timiskaming (Mr. Peters), and Nanaimo-Cowichan-The Islands (Mr. Douglas), has been filed with me pursuant to section 20 of the Electoral Boundaries Readjustment Act, chapter E-2, RSC 1970, to the report of the Electoral Boundaries Commission of the Northwest Territories.

If the House agrees, I would suggest we follow past practice and print the text of the objection as an appendix to this day's *Votes and Proceedings*. Is that agreed?

Some hon. Members: Agreed.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Question answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,892, 3,962 and 3,985.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

AERO-MAGNETIC SURVEY IN BOTSWANA

Question No. 3,892—**Mr. Huntington:**

1. Did Canada provide Botswana with a $2 million loan to carry out an aero-magnetic survey in that country by Terra Surveys of Ottawa and, if so (a) is the loan to be repaid (b) what are its specific terms?

2. If the survey results in the discovery and development of mining in Botswana, what are the relative advantages to Canada that would justify CIDA's participation?

3. What are the names of the (a) companies (b) principals of the companies that tendered bids on the project and in each case, what was the amount of the bid?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. Canada provided Botswana with a $2 million loan to undertake an aero-magnetic survey and interpretation of the survey. (a) Yes; (b) Zero per cent interest, 10 years grace, 50 years to repay.

2. CIDA's participation in developing countries such as Botswana is not predicated on the advantage that might or might not directly accrue to Canada. Canada's support for projects in developing countries is based on a determination of whether or not such financial support will contribute to the social or economic development of the recipient country. However, insofar as Canadian companies are employed to carry out the survey and interpret the information, Canadian businesses will benefit.

3. (a) and (b) Contractors: The flying and data processing portion of the project is being carried out by Terra Surveys under terms of a contract signed by Terra and Botswana on July 18, 1975. The contract limitation is $1,300,000. This contract was awarded by the Government of Botswana under CIDA loan financing in accordance with CIDA's normal criteria and supervision. In this case, the methodology and approach of the successful firm, Terra Surveys Limited, were judged to be superior to those of the other firms who submitted tenders. Below are the details of the tenders:

Firm that Submitted Tenders	Principals	Tender
Aero Photo Inc.	M. Gaudreault, President and Chairman of Board Y. Pigeon, Vice-President G. Lavoie, General Manager J. Hugghe, Assistant General Manager J. M. Gagnon, Comptroller	$1,021,750
Northway Survey Corp. Ltd.	J. S. Farrel, Chairman of Board W. H. Godfrey, President W. A. Dymond, Executive Vice-President D. A. MacFadyen, Vice-President P. L. Grant, Vice-President D. C. McMillan, Treasurer	$1,426,470
Sander Geophysics Ltd.	G. W. Sander, President L. Sander, Secretary Treasurer P. Pavlik, Director	$ 682,460
Terra Surveys Ltd.	Roy Depper, President T. M. O'Malley, Chairman of the Board M. S. Reford, Director G. M. Mervyn, Director R. C. Brooman, Treasurer	$1,202,730

CONTRACT BETWEEN DEPARTMENT OF ENVIRONMENT AND SQUARE ONE MANAGEMENT

Question No. 3,962—**Mr. Baker (Grenville-Carleton):**

1. Was the contract between the Department of the Environment and Square One Management for the "Cultural Paradigms" project cancelled and, if so, for what reason?

2. How much money has been paid to Square One Management for their services towards the project and is this a result of completed negotiations?

3. Did Mr. Nelson of Square One Management and Ms. Cathy Starrs (a free lance consultant) have offices in the Department of the Environment's Advance Concept Centre, while working on contract?

4. Were they listed in the Spring (1975) Government phone book and, if so, for what reason?

5. Did the "Cultural Paradigms" project disappear at the same time as the Square One Management contract was terminated and, if so, for what reason?

Hon. Jean Marchand (Minister of the Environment): 1. The contract contained a clause permitting termination at any time by the Crown subject to the payment of specified claims. This contract was terminated under this clause for the convenience of the Crown. Negotiations on the contractor's termination claim are currently underway and are being handled by the Department of Supply and Services. In view of the pending negotiations it is felt that no further statement on the termination should be made.

2. The total amount paid to Square One Management for their services towards this project was $61,894.34 under the terms of the contract.

3. Mr. Nelson, Ms. Starrs, and Professor McCall were working on contract with the Advanced Concepts Centre, and occupied offices in Environment Canada.

4. Mr. Nelson, Ms. Starrs and Professor McCall carried out studies that required contact with a number of individuals across Canada and in other departments and agencies of the Federal Government. They were listed in

the Spring (1975) Government Telephone Directory to assist communication in carrying out their contracts.

5. The "Cultural Paradigm Project" was the title of the study being carried out by Square One Management, so it ended with the termination of the contract.

USE OF POLYURETHANE FOAM IN CANADIAN NUCLEAR INSTALLATIONS

Question No. 3,985—**Mr. Brisco:**

Is polyurethane foam, used to seal air leaks and insulate electrical cables, or other combustible material being used in Canadian nuclear installations and, if so, what is the name and location of each plant?

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Atomic Energy of Canada Limited reports as follows: Polyurethane foam has limited use in all current CANDU designs. It is used in a limited number of applications where a high quality vapour barrier is required and in some cases this includes openings through which electrical cables pass. In no case is it used as a seal at the main containment boundary. It is not used as insulation for cables or equipment. The potential hazards of its use have always been recognized and precautions taken to minimize the risk of fire.

GOVERNMENT ORDERS

[*English*]

FEEDS ACT

AMENDMENTS TO BROADEN DEFINITIONS AND CONTROL OVER MANUFACTURE, SALES OR IMPORTATION

On the order:

Resuming consideration of an amendment by the Senate to amendments made by the House of Commons to Bill S-10, to amend the Feed Act—The Minister of Agriculture.

Mr. Speaker: I indicated yesterday that I would attempt today to resolve the question of procedure that was raised yesterday with respect to Bill S-10. As I understand it, it is more a mechanical matter than one of substance. I understand that consultations are taking place in the hope that the matter can be resolved. Perhaps it can be left at that stage until Bill S-10 is next called before the House.

* * *

MARITIME CODE ACT

MEASURE TO PROVIDE A MARITIME CODE FOR CANADA

The House resumed, from Thursday, March 4, consideration of Bill C-61, to provide a maritime code for Canada, to amend the Canada Shipping Act and other acts in consequence thereof and to enact other consequential or related provisions, as reported (with amendments) from the Standing Committee on Transport and Communications.

[Mr. Marchand (Langelier).]

Mr. Speaker: Order, please. The House is resuming debate on motion No. 2 in the name of the hon. member for Dartmouth-Halifax East (Mr. Forrestall), and motion No. 3 in the name of the hon. member for Esquimalt-Saanich (Mr. Munro).

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, when we concluded last night I was trying in my own quiet way to give the government a bit of hell for ignoring the maritime code and the opportunity to strengthen that portion of the bill dealing with cabotage. In the event that I did not put it on the record last night, and in order to refresh the minds of hon. members, my amendment is as follows:

"Canada: and, for better ensuring the attainment of the said purposes, any port or place in the islands of St. Pierre and Miquelon shall be deemed to be a port or place in Canada, and the governor in council may, by order, provide that any other port or place not in Canada shall be deemed to be in Canada,".

In committee, the departmental officials assured us there is protection with regard to foreign ships coming into Canada, picking up tourists, travelling to other ports, touching at a foreign port, in this case St. Pierre and Miquelon, and returning to Canada. In our opinion, that assurance is not clear in the act. The amendment is to clause 8. It would delete line 20 at page 12 of the bill. It is our submission that this particular clause could be construed or interpreted in more than one way. I quote from the clause:

For the purposes of this section and sections 9 to 14, the "coasting trade of Canada" includes

(a) the carriage of goods by water or by land and water, the carriage of passengers by water, and towage,

(i) from one port or place in Canada to the same or another port or place in Canada,

(ii) between a port or place in Canada and any marine structure that is engaged in exploration for or exploitation of natural resources in accordance with a permit or licence issued pursuant to an act of parliament or of the legislature of a province . . .

whether directly or by way of a foreign port—

It is that which gives us cause for concern. There are ample precedents in other statutes of Canada: it is spelled out very, very clearly. This amendment and the parallel amendment of the hon. member for Esquimalt-Saanich (Mr. Munro) would state in no uncertain terms what we understand to be the intent of parliament, the drafter and the act. By using the gimmick of stopping at a foreign port en route, foreign cruise ships—Russian, in the case of the east coast—can get around that section of the marine code directed to the closing of the coasting trade of Canada for Canadian ships with Canadian crews.

● (1210)

The amendment, as I say, is in two parts. What we seek to do is simply to declare that for the purposes of the act, St. Pierre and Miquelon are parts of Canada. It has become obvious that the Canadian cruise industry has been destroyed by the operations of Soviet cruise ships carried on without regard for any normal commercial considerations. Cruises are carried on in the Gulf of the St. Lawrence, on the Saguenay River and out to the coastal waters of Newfoundland with stop-offs at St. Pierre and Miquelon. Soviet ships are permitted to do this by reason of the loophole in the existing law.

We submit that the code is vague to a degree unacceptable to us in this regard. What these vessels do is make a 10-hour or 12-hour stop-over at some foreign port. All they have to do is sail from a Canadian port to a foreign port; this enables them to satisfy the letter of the code and we regard it as a way of getting around the requirement of this particular section since, technically, the voyage has become an international voyage.

Comments were made by other speakers last night with respect to the carriage of goods from the east coast to the west coast of Canada. Certain problems were envisaged. Mr. Speaker, the amendment changes only slightly the definition found in the old Canada Shipping Act. We suggest that the present provisions are not adequate to provide the type of protection the code should contain. The amendment would simply eliminate any ground for dispute.

The second part of the amendment gives the governor in council authority to designate other foreign ports or places to be, for the purposes of the act, ports within Canada. This would enable the cabinet to intervene with respect to certain situations which arise on the Great Lakes when ships picking up Canadian tourists are able to take Canadian dollars from our own tourist industry. It would also enable the cabinet to intervene in the case of similar practices on the west coast.

To illustrate the seriousness of the situation, I would put on record the statements made by various witnesses who appeared before the committee. It is estimated that in the tourist industry alone, between 300 and 500 jobs are lost to Canadian sailors, suppliers, shipbrokers, and so on, because Canada cannot compete with offshore companies which operate in our waters without regard to the profit motive. The president of the Seafarers' International Union had this to say when he appeared before the Standing Committee on Transport and Communications, as reported in the *Minutes of Proceedings and Evidence* for December 11, 1975:

> Cruises in Canada, even if they include St. Pierre and Miquelon or U.S. ports, should be explicitly reserved for Canadian ships.
>
> In recent years, foreign cruise ships have increasingly been operating in Canada. On the west coast, this has resulted in the replacement of vessels manned by Canadians. In the east, Danish and U.S.S.R. flag ships are operating St. Lawrence River cruises. They leave Montreal and sail to Quebec, Bagotville, Percé, with a perfunctory stop at St. Pierre and Miquelon. The passengers disembark to sightsee at the various ports. We have contended that there are violations in the present laws regarding the coasting trade . . .

The emphasis he placed on the lack of Canadian jobs is significant in light of the amendment. As I say, several hundred jobs are affected directly and indirectly. I can see no reason why such a simple amendment should not be taken into serious consideration by the government. We are not attempting to impose upon that French colony or, indeed, on any other foreign port, the laws and regulations of Canada. We are simply saying, for the purposes of this act, that those ports should not be designated as foreign ports, thus getting around the loophole in the old Canada Shipping Act and in the new Maritime Code.

I maintain the amendment should enjoy the support of all hon. members and is a necessary one if we are to lend to the act the spirit which I am sure it is intended to reflect. This question has been before us for a long time. I might add that the amendment has been carefully drafted with regard to the uncertainties and fears felt by the council of maritime premiers and by representatives of British Columbia ports with respect to the impact it might have on freight costs.

We need further assurances which will satisfy the council of maritime premiers and the government of Newfoundland as well as British Columbia interests. We need a forthright statement from the Minister of Transport (Mr. Lang) to the effect that the assurances given by his predecessor to the council of maritime premiers in Charlottetown some 18 months ago are, in fact, being carried out.

We would much prefer the government to have imported something in written form into this particular clause so as to give statutory authority to the type of protection required. Failure to do so has caused us some difficulty with respect to legislation which otherwise we on this side generally support. We reserve our right to make a final decision with respect to the attitude we shall take toward third reading. I may say it will depend to a large degree upon the type of assurance the Minister of Transport is able to give us. The issue is an important one to the thousands of men and women whose lives are directly related to maritime activity, as well as to the country as a whole. The Maritime Code is too valuable a piece of legislation to allow to go by without our calling attention to the fact that it contains major loopholes through which Russian cruise ships can take away dollars and cents from Canadians.

● (1220)

What we will be attempting to do by this amendment is to strengthen and clarify the legislation and remove uncertainty respecting the intent of the act, which is to provide the framework for the establishment of a Canadian merchant marine, one that will be slowly developed and will pay regard to the requirements of the competitive transportation of goods in this country. We do not suggest exclusively closing our waters in any place. We have always recognized that there will be situations where Canadian vessels are not available or where for one reason or another a specialized type of ship is required. This might be a cruise ship, an ore carrier, an ice strengthened bulk carrier for operations north of 60, and so on.

Canadian businessmen and entrepreneurs require ships when they need them, not six months afterwards. When the need arises, they require access to adequate means of transportation. So we do not interfere with the rights or principles that protect users, the governor in council can always consider the granting of a special permit. Were that not in the legislation, we would insist upon it.

Canada should have its own merchant fleet and I suggest that starting with the coastal trade is the right route. We are not going to see the development of a Canadian merchant fleet next year or within five years, but if we do not start somewhere we will never achieve this goal. The thousands of potential jobs in our shipyards, on board ship and in related industries are too important for us to permit legislation of this significance to go through without the assurance that it is tight, that it is not full of loopholes but reflects our desire to provide the framework within which Canadians can redevelop their merchant fleet, and lending

institutions engaging in maritime activity can approach without fear those entrepreneurs prepared to invest their talent and credit in achieving this end.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I should like to address myself to motion No. 2 standing in the name of the hon. member for Dartmouth-Halifax East (Mr. Forrestall). In this particular part of the act we are dealing with what amounts to the core of this legislation, the definition of "cabotage". We must be sure we mean what we say and that Canadian shipping is assured the right to cabotage.

During my remarks on second reading of the bill I went into the use of that term to a considerable extent, and I suggest we briefly review its meaning here. It originated, as I mentioned at the time, from the business of going from cape to cape. "Cabo" is from the Portuguese or Spanish, but it has been translated in much more definitive terms in air law. In air law we never accept that a non-Canadian carrier can pick up passengers in Canada, call at a U.S. port, drop them off, pick up additional passengers bound for Canada and call this a domestic flight. These flights have to be worked out very carefully in agreements.

We insist that between Canadian ports we will not have foreign carriers picking up passengers in Montreal and dropping them off in Toronto. This is reserved to Canadian carriers. This is the basic principle we are seeking to define much more rigidly in cabotage or, if you like, in the coasting trade. We are transferring it from air law back into maritime law from whence it came. I insist, Mr. Speaker, that without a full definition of "cabotage" as defined so precisely in air law and translated into maritime law, there can be no encouragement given the Canadian maritime industries, Canadian mariners, shipbuilders, provisioners, victuallers, and our steelworks as well, to provide Canadian bottoms for the carriage of Canada's coastal trade.

In connection with motion No. 2, it is easy to make a pro forma call at St. Pierre and Miquelon, saying that your voyage plan requires a stop-over or route stop, to convert a voyage from, say, Montreal, up the Saugenay via St. Pierre and Miquelon, from a Canadian trip in which cabotage should be the rule into an international voyage and therefore open to any carrier.

I cannot help wishing there were greater awareness in this chamber of the significance of St. Pierre and Miquelon. I was greatly helped by reading a book by a very prominent Canadian historian who is now attached to the University of Carleton at the Institute of International Affairs, Professor Douglas Anglin, who wrote a book entitled "The St. Pierre and Miquelon Affair". I commend the book to all members of the House. It relates the manner in which the Free French occupied St. Pierre and Miquelon during the Second World War and the problems this created for the then prime minister, which he faced in one particular way. But it also drew attention at the time to the significance of St. Pierre and Miquelon to Canada's geography and sovereignty.

We are now seeing a further significance in dealing with the law of the sea and the extension of our territorial and fishing limits out from our coastline. The mathematical and cartographical problems of extending southward from St. Pierre and Miquelon their claim to territorial jurisdiction, in which French law will predominate, is a most complex question for anyone who has thought about it for more than two or three minutes. Recognizing that St. Pierre and Miquelon is within what would ordinarily be Canadian waters, recognizing that it is a blob of foreign territory within what are otherwise our territorial waters, we must consider that a call there will not convert a voyage from Montreal or Quebec, up the Saugenay with just a formal call at St. Pierre and Miquelon, into an international voyage but will be for all purposes a voyage in Canadian waters.

● (1230)

This same sort of operation occurs in the Great Lakes. It permits non-Canadian carriers, foreign carriers, to exploit an industry which, with the encouragement of a very strict cabotage rule, permits some carriers to enter the luxury trade, if you like, the summer cruise trade, simply by enabling a ship to call alternatively on one side of the St. Lawrence River or the other and convert that particular trip into an international voyage rather than a voyage through strictly Canadian waters.

Even a trip, let us say, from Thunder Bay to Sault Ste. Marie could be converted by making an intermediate call at Duluth. This is the sort of thing we would like to see closed in order to encourage Canadian ship-owners, shipbuilders and the whole maritime industry to build Canadian ships and give a start again to a Canadian marine industry so that we again will be a maritime power which our position, our coastline and our whole tradition dictates for us. We must do this before it is too late.

We have heard that there are difficulties in obtaining crews for Canadian vessels because of the cost. I have thrown out a suggestion to some of our marine architects. I have suggested there is a way perhaps to deal with this admittedly difficult problem of having the breadwinner away from home at sea for many, many months. I think the matter has been greatly facilitated by the introduction of the container ship. I suggested to this particular marine architect that it should be a simple matter to have standing on most container ports trailers which could be hoisted aboard in the same way a container is hoisted aboard. These could be fully equipped trailer camp homes. The crew could live in them. They could even take their families with them. There would no longer be the need to separate the breadwinner from the other members of the family, because the other members of the family could go on the voyage. The families would have the advantage of the education overseas which travel conveys. If enough of them were on board, it is conceivable that there could even be correspondence classes carried on for any children who might be there.

It might be of interest to know that in addition to this particular suggestion I was told by the naval architect with whom I was speaking that there is a movement among those industries in Canada which are concerned about naval architecture to establish at the University of British Columbia a special course in naval architecture. Such an institute of naval architecture at my alma mater would be a further sign of the intent of this country to proceed with the purpose this bill attempts to display,

namely, the creation, as I understand it, of a Canadian merchant marine.

I commend this notion to the government and suggest that if some application for assistance along these lines is made, it be favourably received. We must tighten up clause 8 of Bill C-61. We must have a definition of "cabotage" which is meaningful even, if necessary, by borrowing those concepts from air law and translating them into maritime law. We recognize that at least as an interim measure there is under subclause (5) the authority vested in the governor in council to permit exception, to carriers for specified purposes and for a specified time by way of an interim measure. That particular clause need not be there for all time, but only until such time as Canada's merchant marine is capable of standing on its own feet and carrying out the trade which is so important to the Canadian economy and to Canada as a trading nation.

This particular amendment, motion No. 2 in the name of the hon. member for Dartmouth-Halifax East, deals with the trade on the east coast particularly, the cruising trade if you like; but there is also the merchant trade, the carriage of goods on the east coast, which has caused considerable concern, I understand, to the first ministers of the maritime provinces. They want assurance that if we tighten up the cabotage provisions in this particular legislation, there will still be competitive bids on the carriage of goods between the provinces, between the mainland and Newfoundland if you like, and up into Labrador. This is most important. We have mentioned it in other contexts and we will mention it again on many occasions.

We want assurance from the minister that the first ministers of the maritime provinces are in agreement with the regulations which are to be drawn up, I believe, under clause 12 of this bill. We mentioned in committee, as well, that members of parliament would like to see the regulations before this bill becomes law. I found it altogether surprising that so much of the legislation that is brought before us, legislation of a fundamental and basic kind such as this, contains provisions for the eventual appearance of regulations. I would like to think that we would get away from this practice. We have schedules I and II, and I believe there is also a schedule III here. Schedule III provides for Book I of the Maritime Code, and I suppose schedule IV provides for Book II. Why could there not be a schedule which contains the regulations?

● (1240)

The provisions of the code are fundamental. They are the ground rules under which Canadian ships and foreign ships will operate in Canadian waters. I think it is important that the regulations be published before this bill becomes law. For the time being I will reserve my comments on the amendment which stands in my name. There may be others who wish to comment further on this motion which has a bearing on the waters in the mouth of the St. Lawrence and on the east coast trade.

Mr. Deputy Speaker: There is a point of procedure which it might be worth while bringing to the attention of the hon. member. Motions Nos. 2 and 3 have been grouped together. This means that the hon. member is entitled to speak once on both of them, not once on each of them. There is only one debate. Therefore, if the hon. member has some comments to make on motion No. 3 now would be the time to make them.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, up to now my comments have been confined exclusively to motion No. 2.

Mr. Deputy Speaker: May I also bring to the attention of the hon. member that since he is the promoter of a motion, he is entitled to 40 minutes, so nothing prevents his carrying on. He is permitted to speak again, but this would necessitate the consent of the House. I leave the decision up to him.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I will continue my remarks now, but will direct them to the motion which stands in my name and which is of a more general nature but still deals with the cruising industry. It could also deal with the merchant industry on the west coast. I do not know how many members in the House have done the trip from the top of the island, from Kelsey Bay, up to Prince Rupert through the inland passage. It is a trip which is reminiscent of the Norwegian fiords for those who have travelled through the narrow waters with mountains coming right down on both sides. You feel, as you go through some of the passages, that if you stretched out far enough you could touch the shores on either side. The same applies up the coast beyond Prince Rupert. I am sorry that the hon. member for Skeena (Mrs. Campagnolo) is not here because I am sure that she would like to describe some of the beauties of this area.

Because these areas are so attractive they are great summer cruising areas which are being invaded by ships conducting international cruises. Therefore, we must have some provision within our definition of "cabotage" in this act to enable Canadian ships to get into the trade in this area as we were describing it on the east coast. It is a very simple matter which can be done in a variety of ways. A ship can load its passengers in Vancouver, let us say, go down Pugit Sound to Seattle to pick up some more passengers, then come up to Victoria. It is then involved in an international cruise, whether passengers have gone down and got off in Seattle or gone for a day's shopping and come up to Vancouver. Then the ship might go on through the inland passage, up through Johnson strait. The hon. member for Comox-Alberni (Mr. Anderson) is not here either, but he also knows this area. Instead of going from Vancouver directly to Prince Rupert, they could go on to Ketchikan and convert this interCanadian port cruise into an international cruise. This is exactly what has been happening and the trade on the west coast has been taken over.

My first sight of the Pacific was from a ship travelling from Vancouver up the west coast to Vancouver Island and to Zeballos for a summer job. This is one of the delights of the summer in that particular area. You can run into some rough weather, but in good weather it is a splendid trip and I commend it to anyone who can afford the time. But those trips are no longer possible. The Canadian ships have been taken off those particular journeys, unfortunately, because of the simplicity with which it is possible to convert a trip into an international voyage and therefore bring in a non-Canadian or non-American carrier to do the

trip. At present it is the Norwegians and the Dutch who do this, if I remember correctly. There are a few others.

Sometimes some of the world cruise trips do part of the journey, but basically, on a back and forth deal between the extremities, it might be San Diego, San Fransisco, Vancouver, Ketchikan, Prince Rupert, and out farther into Alaska and then back down. This has been turned over because of the absence of a firm, solid definition of what cabotage is to foreign vesels. We see vessels coming in, as was mentioned yesterday by the hon. member for Dartmouth-Halifax East, which are not even required to fulfil the standards of work within Canada. The workmen are not subject to our Workmen's Compensation Act and they are not paid the wages that Canadian workmen demand.

We should close the loopholes in this definition of "cabotage" so as to encourage Canadian shipping to resume those trips up the west coast, whether it be up the Pacific or up the inland passage. I see the Minister of Justice (Mr. Basford) had done some of these trips from Vancouver, and he can testify to the great beauty of the trip and to the relaxation which a trip of that sort on a good ship can provide to anyone who is a little weary of life in the city and who seeks some way of being carried back to nature. But we will not do this on Canadian ships unless we close those loopholes in the law. That is the whole meaning of the amendment which I am putting forward.

I have used the word "cabotage" too much, but I think it has a meaning in English to which we should get back. The coasting trade is one thing, but it does not carry that connotation of "cabotage" which it does in air law. I think we must get it back into the maritime law where it came from and where it belongs. It is with that view in mind that these two amendments have been drafted.

● (1250)

There is one caveat here, Mr. Speaker, which was mentioned yesterday by the hon. member for Capilano (Mr. Huntington). There is a problem in intercoastal trade in Canadian bottoms. Let us say there could be a problem unless we have provision for competitive bidding, because when you load at Nanaimo, say, and offload at Dartmouth or St. John's, the quickest way of making the journey is, through the Panama Canal, winter or summer. I do not think you can do it the other way with a load of lumber. The Panama Canal, of course, means a call at a foreign port, which turns it into an international trip and therefore it is open to non-Canadian carriers.

We have to find some means—and we have not found it yet—of encouraging Canadian bottoms to get into that lucrative trade. It is a part of the Canadian business. I am sure it is still true that it is cheaper to carry goods by water than any other means, over long distances. Wheat, of course, cannot be carried any other way than by ships, but the carriage of goods by sea has historically been cheaper than carriage by any other means. Time is involved in going from the west coast to the east coast though the Panama Canal, but it should be cheaper to carry lumber, minerals or whatever commodity from the west coast across the continent by water than by rail.

There was some mention in the debate yesterday that if ships were in the hands of one of the railways, the water rates would be increased to match the rail rates. Perhaps we should ensure there is encouragement to shippers, independent of the rails, to build Canadian ships and enter Canadian coastal trade from the west coast to the east coast.

Perhaps it is looking a long way ahead, but there has been mention of the trade that could develop in the Arctic. I was shocked to hear that consideration was being given to having ships built in German shipyards to take ore from the Canadian Arctic to Canadian refineries in the St. Lawrence. This is cabotage in its pureset form from the Canadian Arctic to Canadian mills and foundries whether they be in the St. Lawrence or up the Great Lakes. This trade should be carried by Canadian ships, manned by Canadian crews. We are not going to have that opportunity until we give encouragement with law and with subsidies. I think we must face the fact that subsidies will be required to encourage a Canadian maritime service to get Canadian vessels back into the trade, particularly in Canada. From there we can expand to the wider, lucrative trade of carrying Canadian goods to international ports.

The Norwegians do not lose money in this type of trade. They have very high standards of seamanship and shipbuilding, and are making money. Why should the Canadian industry not be doing the same? This is the reason we have been seeking to tighten the meaning of clause 8 so that the need to invoke section 5 will become less and less frequent as the years go by. In the course of time we would like section 5 to be no longer necessary because cabotage would mean exactly what it ought to mean, namely, reserving to Canadians the right to carry goods from one Canadian port to another. There are strange anomalies in our geography, in the history of the development of our continent such as we see in St. Pierre and Miquelon, and in the geographic and diplomatic anomaly of the appearance of the Alaska Panhandle, which cut off a great part of the north of our provinces from the sea by an award in the nineteenth century. Those anomalies exist and we have to accept them. Since they exist, we should be able to provide the appropriate wording in the law to overcome them.

Thank you, Mr. Speaker. I will call it one o'clock.

Mr. Goodale: Mr. Speaker, there are a number of points that I should like to make briefly in response to some of the comments which have been made by the hon. members who have proposed these two motions, but I see it is one o'clock. If I may, I should like to call it one o'clock, Mr. Speaker.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Goodale: Mr. Speaker, just before one o'clock I rose to respond to the comments of the two hon. gentlemen who spoke between twelve and one o'clock, in the hope of allaying their reservations about clause 8 of Bill C-61.

First, however, may I thank the House for allowing last evening a procedural modification which will facilitate the consideration of Bill C-61. In error, we had grouped motions 1, 2 and 3 together for discussion, whereas motions 1 and 5 and 2 and 3 ought to have been grouped together for discussion. May I extend my thanks to the House, to the Chair and to the Table for their assistance in this, which will help in the consideration of this bill.

Last evening hon. members commented about the brevity of my remarks at the beginning of the report stage, and about the minister's absence. Let me make two points. First, my initial comments dealt only with the technical accuracy of the French version of a particular clause vis-à-vis the English version. That concerned motions 1 and 5. I am happy to see the confusion on that point resolved. I did not mean to imply last evening that I had nothing else to say about the other substantive portions of the bill. I welcome today's opportunity to comment more extensively on substantive aspects of this legislation and proposed amendments to it.

Hon. members also commented last evening on the minister's inability to be present. Let me explain why the minister was unable to be present when we began the report stage discussion. The minister was in the House yesterday until late afternoon waiting for Bill C-61 to be called. It was called only late in the day, unfortunately after he had been called away on business. Any inference to the contrary is misleading. I think it important to indicate the reason for the minister's absence. To those hon. members who want an assurance, I am able to say that the minister intends to participate in this debate. He would have done so last evening if he could have been present. He will at the first opportunity during our consideration of Bill C-61, address himself specifically to concerns which hon. members and people outside the House have voiced about various aspects of the bill.

It is apparent that the hon. member for Dartmouth-Halifax East (Mr. Forrestall), in whose name stands motion No. 2, and the hon. member for Esquimalt-Saanich (Mr. Munro), in whose name stands motion No. 3, are concerned about the provisions of clause 8. As has been mentioned, clause 8 involves the basic principles of the Canadian coasting trade. The establishment of such provisions for Canada is, in the opinion of many in this House and outside, long overdue. The hon. member for Dartmouth-Halifax East and the hon. member for Esquimalt-Saanich argue that clause 8 is not strong enough, should be tightened or strengthened or made to speak more loudly, if I may say this. Meanwhile, other hon. members opposite are not so sure. Last evening the hon. member for Capilano (Mr. Huntington) went so far as to say that in his opinion clause 8 should be deleted from the bill altogether. I draw attention to that point not only to illustrate differences of opinion or a division of view among members opposite, but it also illustrates the complexity, delicacy and fundamental importance of coasting trade provisions and of the general question of the coasting trade with which clause 8 deals.

That question is not to be easily, neatly and simply resolved. The issues on both sides of the question are of concern to the government. Having consulted the industry, labour, professional groups, provincial governments and others interested, we have tried to meet the problem. The result is this bill. I trust that in the final analysis all the work undertaken in the attempt to reach an accommodation will bear fruit.

● (1410)

Dealing specifically with the second motion on the order paper standing in the name of the hon. member for Dartmouth-Halifax East, I want to assure him that the concern he has raised is not an issue which has escaped the attention of the government or the draftsmen who did the technical work in putting the legislation together.

There is a good argument that relates more particularly to the next motion that also applies here. The wording as presently drawn in general terms covers the situation adequately. The hon. member argued in committee, and I believe in the House, that it would not be an uncommon step for us to give the governor in council the power to make a declaration from time to time that a certain foreign area, territory, port or place would be deemed to be a part of Canada. It may not be an unprecedented move to do that, but it is an unusual step, particularly in the terms in which this amendment is phrased; that is, virtually giving to the governor in council the authority to declare a foreign territory in its entirety to be a part of Canada. That is a fairly extreme and drastic power.

Mr. Forrestall: For the purposes of the act.

Mr. Goodale: Yes, but it is still a power which I do not think we should exercise casually. I do not mean to imply that hon. members should take the matter casually. Quite to the contrary. I know they do not. However, it is important to recognize that it is an extensive step for us to take. It has international implications. Even though you limit your wording to the purpose of this legislation, it has implications, viewed in its international context, that go beyond that. We must be careful before taking that step. At this moment in time I would not be prepared to recommend adoption of that particular measure by the House because of the international implications it might have.

The other point relating to this motion is also interesting and should be borne in mind. I refer to the extent of the power that this amendment would give to the governor in council. The power is not circumscribed by anything. It would give the governor in council the ability to declare any place or any territory anywhere in the world to be Canadian for the purpose of this legislation. That goes a little bit far. Perhaps that is something that may or may not be implied as a matter of necessity by the hon. member who proposed the motion, but it is a fact we have to bear in mind.

This amendment, to accomplish the purpose to which the hon. member has addressed himself, would give to the governor in council a rather sweeping and unlimited mandate. It would have serious implications for our international relations. We would want to be more cautious about it than maybe we have had the opportunity to discuss in the course of this particular legislation.

I will return to my original point that I passed over rather briefly before getting into the more technical argument. I believe that the legislation as drafted adequately deals with the concern my friends across the way have

raised. I would urge the House to approve the legislation as it has been reported to us from the committee and not go to the extent of amending it as my hon. friend has suggested.

Motion No. 3 in the name of the hon. member for Esquimalt-Saanich is, as he indicated, in the same vein or spirit but approaches the problem from another angle. I might say that this particular idea was also proposed and discussed at length and ultimately turned down during the course of our committee proceedings. I want again to assure the hon. member that the principle for which he is arguing is not one to which we take exception. Indeed, it was indicated during the committee proceedings and previously in this House that the very points which he made in his statement on the motion are ones with which we fully agree, and I would argue that the legislation as presently drafted accomplishes the objectives he has in mind. From a technical and procedural point of view we would accomplish those objectives in better fashion than the wording proposed in motion No. 3.

The technical answer is a matter of drafting. As it is presently worded, the clause is designed to cover the situation in general and all-encompassing language. You get into some difficulty when you try to reduce that language specifically to deal with certain circumstances. You may cover a particular circumstance very well, but as the situation changes from time to time you may find that the specific wording chosen fails to include or to cover situations which arise later down the road that really were not thought of at this moment in time. We would be further ahead and would cover the concern more adequately if we were to use the broader, all-encompassing language that we have in the bill and not restrict ourselves to more specific language that may at some time in the future leave out something.

On this point I would refer hon. members to evidence given to our committee when this particular issue was before us. The evidence appears in issue No. 34 of the committee reports. The witness being questioned was Mr. J. J. Mahoney, Assistant Deputy Minister, Department of Justice. The particular quotation I want to refer to is on page 28. I will read one brief paragraph.

Mr. Paproski: Did you say Justice Mahoney?

Mr. Goodale: No, Mr. Speaker. For the benefit of the chief opposition whip, the witness was Mr. J. J. Mahoney, Assistant Deputy Minister, Department of Justice. I want to make that absolutely clear. After Mr. Mahoney had given some indication of the technical and drafting problems involved, he went on to say:

—it is felt that by using these more general words, it is possible then to tie down the situation more tightly than if one uses rather specific language, but either events change or some new system is developed which has not been taken into account in that very specific use of language. It is the same old legal problem you have in contracts or in incorporating companies and in many areas of the law where it is often better to use general phraseology and so encompass all of the objective than it is to be very specific and forget something.

That is the opinion that Mr. Mahoney offered on that occasion. I think it is the right one. It is a pretty basic principle in the sense of technical drafting of statutes. We have there an assurance that we cover the situation more effectively by using the broader wording as it presently stands in the legislation, rather than reducing ourselves to more specific words which may result in our omitting to cover a situation which may arise at a later time.

● (1420)

In concluding what I have to say about these two amendments let me once again stress that we appreciate the spirit and the thrust of the amendments, but it is our view that the statute as presently worded covers the situation in a fair, reasonable and adequate fashion and that it is not necessary to add the additional words proposed either in motion No. 2 or in motion No. 3 and that these motions should not be accepted by the House.

Mr. Forrestall: Would the parliamentary secretary permit a brief question before he resumes his seat?

Mr. Goodale: Yes, Mr. Speaker.

Mr. Forrestall: Would he not agree with me that the basis of our concern is to be found in his very words of a moment ago? If I am paraphrasing them, I apologize, but I hope I reflect the intent of what he was saying. He said, "I think". He didn't say, "I know". He was not able to give us an unqualified assurance. He simply said, "I think" with regard to the assurances given by Mr. Mahoney, a man for whom all members of the committee have a great deal of respect. The parliamentary secretary reflects his own doubt. The existence of that doubt gives us cause for concern with respect to his reassurances on this point.

Mr. Goodale: Mr. Speaker, I think it is my style of phraseology and not my particular words which are concerning the hon. member. When I said "I think", I did not want to imply doubt on my part.

An hon. Member: You said it again. You began by saying it.

Mr. Goodale: It is too bad that the recording processes of the House cannot take into account the tone and emphasis in a speaker's voice. There is a great difference between saying "I think" with a rising inflection, and saying "I think" with a more firm inflection in one's voice.

Some hon. Members: Oh!

Mr. Goodale: In any event, I want to allay the fears of the hon. member by saying I did not mean to imply by using the words "I think" that I entertained some doubt on the particular point. I suppose that until any statute has been adjudicated upon by the Supreme Court in the event of final recourse thereto there would, in a strict legal sense, always be some legitimate room for argument. We can only do our best by phrasing the legislation in the most effective way we can, and I think the legislation as written accomplishes that objective.

Mr. Munro (Esquimalt-Saanich): Perhaps I, too, could direct a question to the parliamentary secretary. This question relates to the discussion we had yesterday and also to the discussion we are now having in seeking to tighten up the incidence of cabotage. Part of our discussion yesterday concerned altering the French text to correspond more closely with the English text. There are two places, one of which I think we might accept as showing conformity between the texts, but there is one absence, to my way of

thinking. I have gone over it again. I said to myself, "It must be there." Yet I cannot find it.

Again it comes down to the French text being so short. It is in subsection (iii) of 3(a). It says in English—and the preamble is about the same—"from one port or place in Canada to the same or another port or place in Canada". This is translated on the French side as, "Entre des ports et lieux du Canada". I think that probably does carry the sense. The other section in the English text is there, yet I cannot find its meaning in the French text. Following the (iii) under section 3 we find the words "whether directly or by way of a foreign port".

We might go back to the notion which was floated yesterday, the suggestion, concerning which we seek clarification, that in the Superior Court before French-speaking judges there is a practice of using historical documents and then they would realize what we were getting at—that the English version said one thing and that in the absence of that particular clause in French we intended that it be in the French version. But surely in a country such as ours we should make sure that it is in both texts. There is nothing I can see in the French text which conveys the message conveyed by the final phrase of section 3(a), namely, "whether directly or by way of a foreign port". It is there implicitly but not otherwise. Why does it have to be explicit in one language and implicit in the other?

Mr. Goodale: I do not profess to be an expert on translation, and I appreciate the concern the hon. member has raised. But I think, if I am not mistaken, that this particular issue was dealt with in motion No. 1, standing in the name of the minister, where clause 8(3)(a) is amended by adding a phrase which to my way of thinking specifically covers the point which the hon. member has raised. I think that motion should resolve the problem. The amendment was designed to cover the very point which has been raised.

The Acting Speaker (Mr. Turner): Is the House ready for the question?

Mr. Forrestall: On a point of order, Mr. Speaker, I think there is agreement that this and two other votes should be deferred until five o'clock on Tuesday afternoon.

The Acting Speaker (Mr. Turner): Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): The question is on motion No. 2 in the name of the hon. member for Dartmouth-Halifax East (Mr. Forrestall).

All those in favour of the motion will please say yea.

Mr. Forrestall: I am sorry, Mr. Speaker, but I am not sure what procedure we are attempting to follow. You have just put a very specific question.

The Acting Speaker (Mr. Turner): The Chair has to ask for the yeas and nays, and then we shall defer the vote.

All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner): In my opinion the nays have it. Pursuant to standing order 75(2) the recorded division on the proposed motion stands deferred.

● (1430)

Mr. Paproski: Mr. Speaker, the vote is to be deferred until Tuesday of next week at five o'clock.

The Acting Speaker (Mr. Turner): Will five members please stand.

And more than five members having risen:

The Acting Speaker (Mr. Turner): Pursuant to section (2) of Standing Order 75, the recorded division on the proposed motion stands deferred.

Mr. J. M. Forrestall (Dartmouth-Halifax East) moved:

Motion No. 4.

That Bill C-61, an act to provide a maritime code for Canada, to amend the Canada Shipping Act and other acts in consequence thereof and to enact other consequential or related provisions, be amended in clause 10 by deleting lines 31 and 32 at page 14 and substituting the following therefor:

"renewal or terminating later than September 24, 1978".

He said: Mr. Speaker, I will see if it is possible to get another 35 or 40 minutes out of a one-liner. Years ago when I was working for the Halifax *Herald*, being taught by a now distinguished deputy minister of the government of Nova Scotia, I would be called into the newsroom because it was my job for a long time to make an eight or ten paragraph story out of some little news release. I do not know whether I learned my lesson well.

The purpose of this motion is to attempt to give some recognition to the notice given by the government under the former minister of transport to our member Commonwealth countries of our intention to withdraw from the Commonwealth shipping arrangement. The act calls for a termination date in April of 1980, and I am suggesting that it be on September 24, 1978. Notice of this intention was formally served on the United Kingdom and other Commonwealth nations which participate in the Commonwealth shipping arrangements in 1973.

We suggest that we withdraw from these arrangements on September 24, 1978, for a variety of reasons. It is many years since those interested in the redevelopment of a Canadian merchant marine initiated the action that we are discussing in parliament today. There can be no occasion for any shipping company operating under a Commonwealth flag to complain that they were not adequately forewarned of our intention, of which notice was served in 1973. We are fully in accordance with the five-year notice and we went through the one-year period before formal notice could be given. Formal notice was then given that we would subsequently withdraw from the Commonwealth shipping arrangement.

In support of my argument I should like to quote briefly from the evidence given to the Standing Committee on Transport and Communications on December 11, 1975, at

page 30:7. These words were introduced into the record by the president of the Seafarer's International Union and were also endorsed by the CBRT:

Third, grandfather rights set out in clause 10 should expire on September 23, 1978.

In 1973, the then minister of transport announced a policy restricting the coasting trade of Canada to Canadian ships and indicated that there would be a five-year period of grandfather rights in favour of the British ships then engaged in the coasting trade. We think the five-year period should commence from September 24, 1973, which was the date of his announcement, or at the very latest, from the date on which notice was given to the Commonwealth countries that Canada was withdrawing from the Commonwealth Shipping Agreement, which was on April 26, 1974.

He then went on to urge the committee to give consideration to this matter, and I think the committee did give it consideration. I appreciate the arguments that have been put forward on the matter by the parliamentary secretary, bolstered by their expert witness, Mr. Maloney, that from the point of view of formality the later date was the best date to follow. However, our reaction is somewhat different. We have been trying for 15 to 20 years to re-establish the framework within which we can redevelop not only a foreign deep sea fleet but strengthen and bolster the existing coastal shipping capacity and capability which Canada has.

Most of Canada's trade is now carried in Canadian ships, so there is not going to be any great problem here. I think 75 to 80 per cent of our export trade, not only today but traditionally, has always been carried in Canadian ships, so not too many ships are going to be affected. The hon. member for Capilano (Mr. Huntington) yesterday expressed to the House fears he had about interference or intervention with competitive rates for the movement of goods. That aspect is present and we do not treat it lightly, but what I am saying is that so far as our coastal trade is concerned the matter is not significantly important. A relatively small percentage of our coastal trade is carried in other than Canadian registered and crewed ships.

Where this does have an impact is that it affects, morally—and, I suppose, philosophically—our approach to the development of a Canadian merchant marine. Canada had some 452 registered ships serving in liner conferences alone in and out of our country last year. If we went to the UNCTAD arrangement and the new code of ethics for liner conferences, in terms of securing forever 40 per cent of our incoming and outgoing export traffic it would mean 175 Canadian ships. Under the UNCTAD arrangement, 55 per cent of the major carriers of the world have already endorsed this particular proposal, but this is getting a little far afield from the date of withdrawal from the Commonwealth shipping arrangement.

I am attempting to draw to the attention of the House that we are talking here about at least 7,000 new jobs for Canadians. For example, the Halifax shipyard in my own constituency will come to the end of the offshore oil drilling rig construction and development program some time within a year. What is going to happen to the 600 or 800 men who are going to be laid off? We are trying to create work for our shipyards. We are trying to create jobs for our seamen, merchant service officers and Canadian suppliers. We are talking about hard-earned money. A total of $2.7 billion is being given away to the cartels in Toyko, New York, London and Athens. I want this to come home to Canada, not in 15 years or in 10 years but as soon as it can be done in an orderly fashion. I want us to hold strong to this point.

[Mr. Forrestall.]

● (1440)

Someone might ask what difference it makes whether the anniversary date is 1978 or 1980. Probably the only difference it makes is that it points out to the people of the world that we are serious in our intention to keep some of this amount of $2.7 billion for our own use rather than give it away. A number of recommendations were made by the somewhat scholarly report of the Darling commission in respect of an international shipping structure for Canada. I am sure members of the House have read this report. Some interesting comments were made in respect of Canada's position if we continue to rely on foreign shipping.

There are some interesting comments and observations about our procrastination in this regard. It is pointed out that we must not only be doing these things, but we must be seen to be doing them. We have the situation of our wood being shipped from British Columbia to Japan in Japanese ships. Our lumber from the west coast is being shipped on vessels of foreign registration. Our potatoes are being shipped from New Brunswick to the United States, to the Caribbean and to Europe in foreign registered ships. Why? By taking the extreme end in establishing the anniversary date beyond which the grandfather rights will not apply, except in the absence of a suitable Canadian ship, we are seeming to say to these countries that they can carry on and use our dollars because we need their vessels. We have heard the argument that we really cannot compete offshore in respect of exports because of the cost of a crew. That was true 40 years ago, but it is an insignificant factor now in respect of today's highly automated vessels and ships. It really is not an argument.

I come back again to the position in which we find ourselves. We are saying, in effect, to the countries of the world that we will do this even if it takes 100 years. We should tell the world we intend to do it as quickly and efficiently as we can, and that the delay will only be for two or three years. This probably is a relatively minor point I am making. However, what is at stake is a substantial Canadian industry. Every other significant transport industry in Canada today is protected and subsidized. But this industry for a long time has been treated as an accident of circumstance, while in fact it is an integral industry; it is a major industry in Canada. We are talking about 14,000 seamen and another 3,000 to 5,000 officers and engineers. Any industry which employs 14,000 people is a substantial contributor to the Canadian economy. Let us tell the people around the world who are hauling our exports because it costs them a few dollars less for a crew, with the exception of the Russians and one or two other countries, that we intend to do it ourselves, not at some point in the future but at the first possible opportunity.

I suggest that notice was clearly given to the countries of the world, particularly the Commonwealth countries which are members of and were participants in the Commonwealth agreement, that we want to see that amount of $2.7 billion which we lose in the form of transportation costs revert to the Canadian consumer and come back to the government which can squander it, if you like. We want it to come back to Canada so that it might be the

basis upon which we can build our own Canadian merchant fleet and develop it in an orderly fashion so that it will not disrupt or disorient the competitive movement of our goods.

I commend these points to the chamber because they are important. I suggest this amendment is a simple attempt to make known to the foreign cartels which operate at our expense, and who make it difficult for us to get on with what we intend to do, that we are serious and intend to move in as quick and orderly a fashion as we can. I hope other members will have observations to make in this regard because it is important that people understand we are serious and intend to move.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I was interested to hear the remarks of the hon. member for Dartmouth-Halifax East (Mr. Forrestall). Again I would say to the House that we had the benefit of very substantial argument on his particular points during our committee hearings. He has read into the record some of the proceedings in respect of this matter. Clause 10 of the bill refers to what we call in shorthand the "grandfather rights," the rights which exist in respect of certain vessels which have been in the coasting trade of Canada to continue in that trade.

I was happy to hear my friend across the way agree with the basic concept of those rights continuing for a five-year period. There does not seem to be any dispute about that. I gather his argument is for a stronger appearance or a stronger impression. His only argument seems to be that somehow we should go back to an earlier base date in calculating those five years than the one which may be the more proper formal date. Perhaps, for the information of members, it would be useful to explain the difference between the two dates. I think the date to which my hon. friend refers is September 24, 1973. This is the date upon which the former minister of transport issued a statement in conjunction with his colleagues from the Atlantic provinces following a meeting at Summerside, Prince Edward Island.

On that occasion the minister indicated that the government of Canada would be withdrawing from the British Commonwealth merchant shipping agreement. That was a general indication of intention at that particular moment of time in 1973. I would say to the members of the House that in my view that falls substantially short of what in law and justice would amount to formal notice.

● (1450)

At some time later, on April 26, 1975, the formal notice was served by Canada, as is required under the agreement which I have just mentioned, the British Commonwealth merchant shipping agreement, of our intention to withdraw from the terms of that agreement. So in the first instance we have a general statement of principle or of intention issued in the form of a press statement or a communiqué in September of 1973, followed by the required legal or international action which was necessary on our part in 1975 to accomplish in law what we indicated we would eventually be doing after September of 1973.

The fact remains that the necessary legal steps could not be accomplished until a later date, that is until 1975, and it seems to me that it is far more than just a formality or perhaps the more polite way to proceed; it is, indeed, the legal and proper way for us to proceed to look at the later date, that is, the date in 1975, as the basic date for the calculation of those five years for the purposes of the so-called grandfather rights preserved in clause 10. We should not, and indeed cannot, go back to the earlier date in 1973 for the basis of that calculation. For these reasons, I think it is necessary and important that the House not accept this particular amendment which would terminate those rights in 1978, but in fact leave the statute in the words in which it is now phrased where those rights would expire in 1980.

Mr. Anderson: Would the parliamentary secretary allow a question?

Mr. Goodale: Yes, Mr. Speaker.

Mr. Anderson: Could he perhaps clarify a statement he made, that the British Commonwealth merchant shipping agreement requires a formal notice from a country five years prior to pulling out of the agreement? Is my understanding correct?

Mr. Goodale: No, Mr. Speaker, that is not what I said. I was commenting on the reference which the hon. member for Dartmouth-Halifax East made about the general consensus that the grandfather rights, as they are called in shorthand, in this legislation should last for a period of five years. The formal notice required to withdraw from the agreement is only one year. The five-year period is the period of existence of these rights as specified by the legislation, but the formal period of notice which is required before withdrawing from the agreement to which I referred is a notice of one year. As I have said, that notice was formally given in 1975.

The Acting Speaker (Mr. Turner): Is the House ready for the question?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): The question is on the motion of hon. member for Dartmouth-Halifax East (Mr. Forrestall). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Turner): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner): All those opposed will please say nay.

Some hon. Members: Nay.

And more than five members having risen:

Maritime Code

The Acting Speaker (Mr. Turner): Pursuant to section 11 of Standing Order 75, a recorded division on the proposed motion stands deferred.

We now go on to motion No. 6 in the name of the hon. member for Dartmouth-Halifax East.

Mr. J. M. Forrestall (Dartmouth-Halifax East) moved:

Motion No. 6.

That Bill C-61, an act to provide a maritime code for Canada, to amend the Canada Shipping Act and other acts in consequence thereof and to enact other consequential or related provisions, be amended in clause 11 by

(a) deleting the word "and" in line 6 at page 15

(b) striking out line 9 at page 15 and substituting the following therefor:

coasting trade of Canada; and

(c) while the ship is operating under the licence, the employees aboard will be Canadian or landed immigrants, and the operator of the ship will comply with the Canada Labour Code, the Immigration Act, the Merchant Seamen Compensation Act and, in general, with the laws, regulations and standards that are applicable to a business or enterprise operated in Canada under federal jurisdiction.

Motion No. 7.

That Bill C-61, to provide a maritime code for Canada, to amend the Canada Shipping Act and other acts in consequence thereof and to enact other consequential or related provisions, be amended in clause 11 by adding immediately after line 48 at page 15 the following:

(6) Any person having an interest therein may make oral or written representations to the Canadian Transport Commission in respect of the issuance, suspension, cancellation or renewal of a licence applied for or issued under this section.

He said: Mr. Speaker, here, again, I think perhaps we erred a little. I draw to the attention of hon. members the fact that these two motions bear no relationship whatsoever. They deal with entirely different aspects of this section of the bill. I will deal with motion No. 6 first.

Mr. Peters: Mr. Speaker, I rise on a point of order. I gather that the hon. member is proceeding to discuss these two motions. I should like to have a ruling on the point. It is my opinion that a vote on one motion should not automatically be a vote on the other one. Personally, I object to these two motions being grouped together. One motion involves people working on ships and the protection they are given under a number of acts, and the other motion evolves around the problem of licensing, the obtaining and renewing of licences. Therefore, I should like to suggest that these two motions not be grouped together because a vote on one should not affect the other. Unless someone convinces me that there is some relationship between the two, I think they should be put separately and voted on separately.

The Acting Speaker (Mr. Turner): It was my understanding that a vote on motion No. 1 will dispose of motion No. 5, a vote on motion No. 2 will dispose of motion No. 3, motion No. 4 will be voted on separately, a vote on motion No. 6 will dispose of motion No. 7, a vote on motion No. 8 will be taken separately, and motion No. 9 will be voted on separately. I also understand that there was agreement to that.

Mr. Peters: Whether or not it was agreed upon, I should like to make the point now that there is no relationship between the two.

Mr. Harquail: Do you not respect agreements?

[The Acting Speaker.]

Mr. Peters: The hon. member, who knows nothing about the bill, probably, does not know either what bill we are discussing. He should be aware of the difficulty of taking a vote on a subject which has no bearing on another subject. This is a very complex bill, but I think even the parliamentary secretary who appears to have responsibility for the bill will agree that there is no relationship between the two motions. Although an agreement may have been reached by members who are not too familiar with the bill, there is a legitimate reason for raising this point.

● (1500)

Mr. Harquail: Mr. Speaker, on a question of privilege, I just want to inform the hon. member and the House that I happen to be a member in good standing of the Standing Committee on Transport and Communications. Apparently he is not aware of that.

Mr. Peters: Mr. Speaker, that really does not tell me anything. The hon. member may well be what he says. However, I attended several meetings of that Committee and met a number of members who really did not know much about it.

The point raised by the hon. member for Dartmouth-Halifax East (Mr. Forrestall) should be considered. It would seem to me that in taking those votes we should be able to make a decision on a fact, rather than have two separate facts involved where the votes may be contrary on both facts.

Mr. Forrestall: On the same point of order, Mr. Speaker, the hon. member who just resumed his seat is quite correct.

For the benefit of hon. members, the amendment proposes adding after line 48 at page 15, new subsection, (6). This proposes to include in the act the procedure whereby an affected person may have the right to appeal or declare his interest to the regulatory body, the Canadian Transport Commission, in respect to the issuance of a licence.

The other amendment deals very clearly with the working conditions and rules and regulations under which ships operate in Canada—the waters, the crews, etc.

I apologize to the Chair and the Chamber because it was my understanding that we could discuss the two lumped together but that a vote would be called on each.

Mr. Munro (Esquimalt-Saanich): On the same point of order, Mr. Speaker, I agree with the comments made by the two previous speakers about the lack of substantial connection between these two particular motions. While it was agreed yesterday, as Your Honour read just a few moments ago, that a vote on motion No. 6 would dispose of motion No. 7, with all deference I think we should reconsider this. Let us say we dispose of motion No. 6; that could not possibly dispose of motion No. 7.

My early recollections of political science are that parliament could do practically anything but make a man a woman! It can agree to something one day, but surely there is a procedure by which it can "unagree" what we agreed yesterday in respect to the voting procedures on these two motions. It is inconceivable that disposing of one will dispose of the other by a procedural device of that sort.

The Acting Speaker (Mr. Turner): Order, please. I suggest we debate both motions and vote upon them separately. Is it agreed?

Some hon. Members: Agreed.

Mr. Forrestall: Thank you for restoring some order to the proceedings, Mr. Speaker.

We will deal first with the absence from the bill of a procedure by which an affected person could make his views known to the Canadian Transport Commission where a permit or licence had been granted. I am not sure whether it was an oversight in the bill. In committee I had intended to introduce it as part of a larger amendment dealing with publication of notice by an applicant seeking a permit or licence to operate in Canadian waters under the terms of the proposed Maritime Code. In my concern to make sure the notices were published in the two languages in the official *Gazettes* of Canada and the provinces and so on, I drafted but neglected to instruct my secretary with respect to this particular amendment.

I suggest, Mr. Speaker, that this matter is very important in the context of the practice in recent years. A lot of people view the practice of the Canadian Transport Commission in issuing special permits and licence as a rubberstamp operation—a buddy system. Somebody wants to charter to move potatoes to the Caribbean and says "I have such and such a motor vessel. I will fix it here and be in Halifax on such and such a date. How about it? How are you Dave? How's the wife and kids?" And that is the end of it.

It is a rubberstamp operation and always has been. The practice is likely to continue, and there have been many instances of it in recent years. There is the matter of the seismographic work in the north in connection with the search for oil. The government chartered an offshore ship while there was a Canadian ship that could do the job. The owner of the ship had no recourse except to go to the newspapers and make a noise, or go to his member of parliament. None of the remedies were satisfactory and he had no appeal, nowhere to turn.

My amendment proposes that:

> Any person having an interest therein may make oral or written representations to the Canadian Transport Commission in respect of the issuance, suspension, cancellation or renewal of a licence applied for or issued under this section.

What that does is make it possible, where the owner of a Canadian vessel finds his vessel lying idle while a foreign owned vessel is working in Canadian waters, for the Canadian owner to state his case to the Canadian Transport Commission. It would then act according to the degree the affected person was able to demonstrate injury.

When I introduced this amendment earlier I introduced with it a substantially longer amendment which called for a procedure by which the public would be notified that a special permit or licence was being sought by a particular operator. The notice was to be published where the shipping community would normally expect to see it. In other words, people would not have to buy the Vancouver newspapers to find out whether a ship was coming here under special licence. That required four weeks' notice and was not accepted because it was felt to be unduly restrictive. I accept that, as I accept the admonition of the council of maritime premiers that we must be careful not to interfere with the need to move quickly in some instances. This is simply a procedure by which somebody who feels the commission has gone outside the terms of the statute can appeal his case and tell his story.

I have not heard the view of the parliamentary secretary with respect to this rather simple amendment but I would appreciate hearing his comments. I see the parliamentary secretary busy with a pencil. I hope that is an indication the government will accept our suggestions. It is important to have these matters spelled out clearly in statute form.

● (1510)

Next I shall speak of something fundamental to our Canadian way of life. It is basic to our sense of propriety, of fairness to those who work for us, and to our sense of dignity. I should like to see foreign registered vessels, operating in Canada under special licence for one or more permit periods, come under Canadian law totally. I am not talking of the vessel which you charter quickly to move one cargo of grain from Saint John to the Lakehead. No, I am talking of specialized ships which operate in Canada for prolonged periods. We should require such ships to comply with the Canadian Maritime Code and with all Canadian law.

It is grossly unfair to our own shippers and our own sailors to allow foreign ships working in Canada to comply with standards completely different from those we impose on our Canadian seamen. It is only fair to require foreign crews working in Canada for extended periods to comply with all aspects of Canadian law. They should comply with the labour code, the Immigration Act, and other laws. While here they should assume the status of landed immigrants. If they refuse we should hire Canadian seamen to work on those ships.

It is a myth to suggest that Canadian crews are not available. We have all kinds of seamen available in this country. The ships should be covered by the Merchant Seamen Compensation Act. We do not want foreign seamen in this country to work under conditions worse than those which we accept as decent for our own seamen. When I make these remarks I think of ships like the *Traveltol*, and the ro-ro—roll on, roll off—ships which operate out of Saint John, New Brunswick, Newfoundland, and Halifax, and carry cars and other vehicles. They are specialized ships and operate here for extended periods with foreign crews. At present I do not think those crews come under Canadian law. That is not fair. It is wrong. Either our laws apply to all who work in Canada, or they do not.

No person should be entitled to work in this country unless he conforms to the Canada Labour Code. We do not allow people in this country unless they meet the conditions of the Immigration Act. Why allow them to work here if they do not meet the conditions of the labour code? Apparently seamen are the exception. That is not right and I suggest is not what parliament intended.

We shall be more humane, show more concern, and be more highly respected if we ensure that all foreigners who work in Canada are protected by and conform to Canadian law and enjoy the benefits and protection of that law. I commend this course to the House. I hope my colleagues

will support my suggestions. One suggestion relates merely to a certain procedure which can be used for the redress of grievance. I am thinking of procedures with respect to the issuance of licences. The second suggestion is that we should make foreign seamen working for extended periods in Canada conform to and enjoy the protection of Canadian law.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, although I have not participated much in the deliberations of the transport committee one thing is apparent to me. Many Canadians are in favour of establishing a Canadian merchant marine. It is argued that passage of this bill will lead to the creation of a Canadian merchant navy. Well, I have been interested in a Canadian merchant navy, ever since C. D. Howe gave our ships to Onassis. Apparently we could not use our Liberty ships, but Onassis could. With them he built a shipping line and made himself extraordinarily rich. At one time we had the fourth or fifth largest merchant navy in the world.

I suggested in previous remarks that only four blue water ships are of Canadian registry. An official of the department said I was wrong, that there are 300 or 400 such ships. Perhaps he was thinking of rowboats, dories, small ships of 100 tons or so, and so on. The fact is that although we have one of the largest coastlines in the world, export vast amounts of raw materials, and import commodities from all over the world, we have to hire foreign ships. When we wanted to move oil from the west coast to the east coast, the shortage of shipping was so severe that we were forced to hire a ship so run down that nobody else would hire it. The ship was unsafe and there was a danger of losing the oil. That did not matter. In the crisis we were forced to hire that ship, to carry oil from the west coast to the east coast.

Mr. Munro (Esquimalt-Saanich): Was her owner Onassis?

Mr. Peters: I don't know. She was not under Canadian registry but she was the only ship available, shipping being in short supply.

Obviously we need a Canadian merchant navy. An hon. member speaking last night said he was afraid that Canada does not possess the wherewithal to build a merchant navy. I suggest that Canada may need to treat the merchant navy as it treats its railways. The Canadian public and the government perhaps need to be involved directly with the payment of subsidies. We shall need to decide if a Canadian merchant navy is worth our while. If it is we must provide the means to make it possible. That question is relevant to clause 6.

Some think that by establishing the Maritime Code we are embarking on a new program which will ultimately lead to the creation of a Canadian merchant marine. They think that we shall control our waters with our own ships in much the same way as we influence events in our portion of the Seaway. I suggest that is not correct.

An archaic, backward-looking department would be involved with our merchant navy. They are so far in the background they will never get into this industry. They do not believe in having a merchant navy. They believe in meeting all the considerations involved in a system of licensing. They use as a basis for their licences the economic factors and take into consideration the operation of their bureaucratic control over the issuing of licences and permits. They have been doing this for some time. As long as they continue it will be cheaper to hire foreign ships under licence than Canadian ships. Why? Read the amendment and clause 6 and you will see why.

[Mr. Forrestall.]

● (1520)

A shipper on the east coast shipping from one port to another can hire a convenience flagship from Panama, the Bahamas, Libya or any other country flying a convenience flag at lower cost. They have the labour costs that apply in those countries rather than Canada. We must supply the kind of food they eat. Their conditions are very substandard to ours. The wages are very low. Safety and health standards are almost non-existent. That is why these ships can be hired at very low cost. As long as that continues it will be impossible for Canadian entrepreneurs to compete.

What happens with our ships? We in this country own ships. Some are owned by Canadian National Railways. They operate under flags of convenience with crews that, in the main, are recruited in countries where the wages are very low. It is also true that CP and most other Canadian owned ships operate under flags of convenience.

If we want to develop a Canadian merchant navy we must do a number of things. If the Department of Transport is going to give licences to all the friends it has established over a long period of time, they will have to agree to operate under the conditions we now have and our economic circumstances. We must apply the criteria under this amendment. If we applied these criteria, Canadian entrepreneurs would be able to build Canadian ships and hire Canadian crews. If the Canada Labour Code applied, and immigration officials applied the immigration law to these ships from one port to another in Canada, as well as our safety regulations, Canadians could compete. They are as smart as anyone. However, if only Canadians have to abide by the Canada Labour Code and operate under Canadian safety regulations and other regulations, we cannot compete.

I am aware of a simple fact the department has been aware of for a long time. Officials have been giving top priority to it. I refer to the economics of the operations of the department and the economics of the trade in the maritime provinces, and the added cost that will obviously be passed on to those making the transfers and the arrangements with the shipping companies.

I am aware that it would cost more to ship from Halifax to St. John's, Newfoundland, if Canadian crews are used. However, it is also a fact that when you apply those regulations to shipping by rail it costs more. There have been concessions made through subsidies and the Crowsnest Pass agreement, and special arrangements with regard to the shipment of coal, potatoes and so on. We have made these exceptions. However, we have not ensured that those who work in these transportation facilities are paid a reasonable rate of pay, observe safety standards, and become landed immigrants. There are two problems. First there are the people in the area who want to ship from one point to another and, second, Canadians in general who want to establish a Canadian merchant navy.

If we accepted the amendment put forward by the hon. member for Dartmouth-Halifax East, we would immediately eliminate the great need for permits being granted at this time. Most of our shipping is done by permit. It is true that some shipping is done on small ships, but quite possibly this is only on a part-time basis. In the main, however, it is safe to say there is no Canadian merchant navy.

If we want a Canadian merchant navy we will have to pay for it. If we were unable to ship our wheat in foreign bottoms, we would have to supply Canadian bottoms to move the wheat. With the amount of wheat we have been moving to other countries we could well afford to support a large grain moving fleet. We would be able to control that fleet as to availability, and relate it to the operations of our ports and our rail transportation system. In fact we would have real control over it. We would be in a much better position to guarantee delivery on certain specific dates and not have to renege on our contracts, as in now often the case.

There is a desire on the part of Canadians to have their own ships with their own flags moving their merchandise around the world. Most people will agree that our international trade is important. We have to do something about it.

The second motion, in my opinion, is different with regard to developing a Canadian transportation facility by insisting on Canadian crews and Canadian working conditions. It involves Canadian entrepreneurs who will be competing with the permit system which is mainly operated for foreign or exemption ships. Is it unreasonable to tell that archaic department which issues these permits that a person should be able to appeal? There must be some justification for a permit being granted. One would think that permits are the exception. However, they are not. The licensing system covers most coastal shipping. Most of it is done under the permit system. Is it unreasonable to ask for an appeal against a bad decision by the department?

The Canadian entrepreneur must hire Canadian crews. He is unable to meet the competition because he has to carry other liabilities involved in our law. That should not be taken into consideration is assessing whether one ship is providing as economic service as another, although the end result per ton may be considerably different. The Canadian entrepreneur may be operating much more efficiently and providing a less costly transportation service, taking into consideration his requirements under the law as opposed to those given a licence and exempt from all these conditions.

● (1530)

There has been considerable argument in recent years about seamen under Canadian registry and the demands they have made over the years for better safety standards, higher salaries, and improved living conditions. They have been aggressive, in some cases more aggressive than they should have been, but they were not only fighting the ship owners in this country they were fighting the Department of Transport as well. They have always had to fight the Department of Transport.

I can remember attending a meeting with a former minister of finance who was then parliamentary secretary to the minister of transport of the day. Another hon. member and I, together with that gentleman who is no longer with us, put up a fight, and that fight was not against the steamship owners or the pilots' association but against the Department of Transport. The department had made up its mind at that time the certain radio facilities would not be provided because no allowance had been made for them in the budget. The companies were willing to make the necessary changes in their structure, and so were the unions, but the Department of Transport was not.

With regard to licensing and the appeal procedure, as well as labour standards affecting workers in this trade, they are backward, they are not progressive. In my opinion this is the type of department which should be disbanded and started over again, because no matter who goes into it he seems to fall into the same mould. I have never met anybody in the department who has been progressive to any degree. The minister and the parliamentary secretary should take a close look at the people they are dealing with and the advice they are getting.

Fortunately there are those who are concerned about the development of the Canadian merchant navy, people who are concerned about the future of the Canadian shipbuilding industry, people who want a fleet under Canadian registry capable of moving our goods between one port of this nation and another, and eventually, if this is at all possible in an economic sense, capable of carrying our goods to countries abroad in the course of international trade.

I am sure the parliamentary secretary would agree that even in Saskatchewan where he comes from people were quite happy to enlist in great numbers in the navy during the last war, as well as in the Canadian merchant navy. They did so because they had an understanding of our necessity to deal by sea with other countries across the world and they were willing to make a contribution to that end.

The situation has not changed. The Canadian people are still waiting to make a contribution of that kind, and when the parliamentary secretary declines to accept motion No. 6 he is really saying to the department "Go ahead, operate on the basis of the exemptions, operate with foreign crew between Canadian ports, operate with cheap labour, operate in such a way as to accept conditions which do not conform with Canadian labour standards, operate in the same way as you would if this were a banana republic." If this is what he wants let him go along with the department and oppose this amendment. Those who really want a Canadian merchant navy will support motion No. 6.

Motion No. 6 means that sailors, even those operating under licence, will have to be paid Canadian wages and enjoy Canadian safety standards, besides having to meet other requirements which have been mentioned during the debate. If the Liberals are stupid enough to vote against this motion the Maritime Code will be set back for at least 100 years.

Mr. Donald W. Munro (Esquimalt-Saanich): I, too, wish to speak on this amendment. May I say I agree that the motions to which Your Honour drew attention are not related substantially, but we can, for purposes of discussion, talk about them together and we appreciate the

thoughtfulness of the Chair in allowing us to vote on them separately.

The first of these motions relates to the application to a ship under licence of certain of the laws in Canada, for example, laws regarding employment, the Immigration Act, the Merchant Seamen Compensation Act, and so on. This may very well highlight one of the comments which was certainly made from this side of the House, and possibly by one or two members on the other side as well, about the introduction of only Books I and II of the Maritime Code, books which deal only with certain aspects of the subject. Book No. III is tremendous, as my hon. friend remarks, but there are portions of it still to come. Only Books I and II are scheduled in connection with the bill before us. There might have been no need to have come forward with an amendment of this sort had the full Maritime Code been brought forward at one time, and I think the minister should have worked toward that end. Then we would have the full code before us and be in a position to know what issues are covered. I am thinking of inspection service and ship building standards.

Here we are talking about crewing and the law which should apply to ships operating under licence. I feel that, at least pending the introduction of the rest of this code, we should adopt a section of the kind proposed to make sure there is jurisdiction over ships engaged in the Canadian trade. We must not allow that trade to be carried on by ships which refuse to recognize the laws of Canada in this area. This is a theme eloquently expounded by the hon. member for Timiskaming (Mr. Peters).

Motion No. 7 provides for an appeal procedure or a chance to object to a licence being issued. I am afraid I shall have to revert to an earlier discussion on interpretation from one language to another. It is conceivable that someone could take exception to a licence being issued to another party on the understanding that he would be able to exercise the licence under the second column in the law, which is the French text.

● (1540)

We are back again to the interpretation of the word "cabotage". I am sure someone will put a third initial in my name and call me Donald W. Cabotage—not John Cabot. I am sure the name will stick with me in some way or another.

In looking at the English version on page 15 of the bill I cannot help but be struck again by the particularization in the English text and the generalization in the French text that would provide a person who felt he had cause for appealing the issuance of a licence with just cause to do so. If I may quote the comparative texts, the clause provides:

(2) No licence shall be issued by the Canadian Transport Commission pursuant to subsection (1) unless the applicant for the licence establishes to the satisfaction of the Commission that

(a) utilization of a ship, other than a Canadian ship, in the particular aspect of the coasting trade of Canada in which the applicant proposes to use the ship to which the application relates—

This might involve the carrying of passengers, the carrying of coals, the carrying of general cargo. It might be specifically the carrying of petroleum products. Now, the French version provides:

[Mr. Munro (Esquimalt-Saanich).]

(2) La Commission canadienne des transports ne peut délivrer la licence prévue au paragraphe (1) que si le requérant la convainc de ce que le navire, autre qu'un navire canadien,

(a) est destiné à être, dans l'intérêt public—

That is covered only in the English version.

—et

(b) présente les caractéristiques nécessaires pour être utilisé pour faire du cabotage au Canada.

The words "pour faire du cabotage" are so general that they could mean anything—carrying passengers, carrying lumber, carrying general cargo, carrying coal, ore, petroleum products. However, in the English version it is particularized. Therefore I feel there is some cause for us to ask that this particular method of interpreting from one language to the other be examined most carefully over the week end.

I understand it is not possible at this stage of our procedure to introduce an amendment, but there is surely some corrective device which can be applied between now and final reading that will clear up the uncertainty that exists, at least in my mind, and the uncertainty that I think would be in the mind of any judge who had to decide on an appeal that a person might make against the issuance of a permit under the provisions of this legislation.

The amendment proposed by my hon. friend for Dartmouth-Halifax East may simply be a temporary one pending arrival of the other portions of the code, but until those portions of the code become law the amendment deserves to be accepted. It provides protection and for authority to extend Canadian law to those ships working in the coastal trade of Canada. Secondly, as I say, grounds for an appeal might very well arise simply because of the uncertainty and unclarity existing between the English and French versions of clause 11(2) of the bill.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, there is no question that the proposed amendment is important, and several hon. members have said so before me. We are dealing with an area where the policies implemented up to now have been far from adequate. Quite simply, Mr. Speaker, Canada has always neglected shipping, so much so that we do not even have a merchant marine. In fact, we have acted somewhat childlishly in this area and have always left foreigners a free hand in all such matters. Of course, this has been a basic mistake, but we do not have to go on making it if we are intelligent enough to realize it.

Therefore, since we now have before us a bill to provide a maritime code for Canada, why should we not take this opportunity to make more truly Canadian a piece of legislation which is clearly inadequate? Although we do not have a truly Canadian merchant marine, we should at least have the decency to have a maritime code with specific sections to protect the interests of Canadians.

That is why I unreservedly support this amendment to clause 11 of Bill C-61. The motto of Canada—which is vast—is "From Sea to Sea" but that motto seems to me to be only symbolic since we are not all that interested in shipping operations. It remains obvious that a country washed by two oceans must monitor the shipping operations being carried out in its waters.

We previously experienced circumstances that were to say the least ridiculous and stupid, if not premeditated. For example, we saw ships in the St. Lawrence in Quebec City carry out coastal trade without any authorization. There is nothing in Canadian legislation to force a minimum of respect for our territorial integrity.

Mr. Speaker, we know that existed and will continue to exist. And when we have the possibility of providing in a code in a very specific way terms for having a licence. It seems to me that there is no mistake, that members of this House should understand this excellent amendment before us and it ought to be accepted immediately. Whether it be said that it is implicit in the fact that we are talking about coastal trade in Canada, Mr. Speaker, I repeat that considering the situation that always existed in this area it is important to dot the i's.

And that is why is added as proposed in the amendment the following:

—the employees aboard will be Canadian or landed immigrants, and the operator of the ship will comply with the *Canada Labour Code*, the *Immigration Act*, the *Merchant Seamen Compensation Act* and, in general, with the laws, regulations and standards that are applicable to a business or enterprise operated in Canada under federal jurisdiction."

Mr. Speaker, I will repeat what the hon. member for Timiskaming (Mr. Peters) said earlier. It is not possible that we should not agree on that because that would be showing very little national or patriotic feeling. Consequently, I think this amendment should be passed, and there is absolutely no shame to doing so. It is only a motion to strengthen our national pride a bit.

● (1550)

[*English*]

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in dealing with these two motions I intend to be rather brief. There are short yet substantive answers to the specific points raised, particularly by my two hon. friends in the official opposition.

I have some substantial difficulty, however, with the address made to the House earlier this afternoon by the hon. member for Timiskaming (Mr. Peters). I shall quote him rather loosely, but I think fairly. In the latter part of his speech he said that we should take a close look at the people with whom we are dealing. I think in hearing his remarks we had an opportunity to take a close look at him. I do not think many of us were pleased by what we heard or saw. I think we saw a negative, non-specific, unfair, irresponsible, and inaccurate attack against people, past and present, who work for the people of Canada through the Ministry of Transport.

The diatribe this member delivered in the House today unhappily is all too typical of the kind of unfairness and irresponsibility we frequently see across the floor on the part of members of the New Democratic Party. I think it is terribly unfortunate that the member has injected into this discussion a note that is totally irrelevant, unfair, and which has detracted from the substantial good work done by the hon. member for Esquimalt-Saanich (Mr. Munro) and the hon. member for Dartmouth-Halifax East (Mr. Forrestall) in connection with this bill. As I say, it is unfortunate that the member for Timiskaming had to inject such an unfortunate and unhappy tone into the debate. He has detracted from the good and constructive discussion we were having prior to his intervention.

May I deal specifically with motions Nos. 6 and 7. In connection with motion No. 6 I have some initial difficulty. I think it is just in respect of the arrangement dealing with the removal of the word "and" in the first part of the motion. I think there might be a technical problem in indicating we are going to an "either/or" situation instead of "and". I think that is a technical problem and is not a substantial problem. There is another point I should like to mention in connection with the major portion of motion No. 6 which has been discussed rather extensively this afternoon.

I see the time is approaching four o'clock, so rather than go into the detail I would simply point out that the second part of the motion deals with the application of the Canada Labour Code and other standards to the operation of unlicensed foreign ships in the coasting trade. Hon. members, particularly the hon. member for Esquimalt-Saanich, have indicated that this kind of provision might well be one we would look at very seriously down the road as further books are added to the Maritime Code, but I do not think it would be appropriate to consider it at this stage.

Dealing with motion No. 7, the purpose of clause 11(5) is to expedite proceedings by making the issuance of the licence an administrative act rather than a quasi-judicial act. The right of appeal, however, is retained by the provisions of clause 12. The proposed motion could, I suggest, lead to rather onerous delays in the processing of the applications. With those few remarks, Mr Speaker, I would conclude my comments on these motions.

The Acting Speaker (Mr. Turner): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Turner): The question is on motion No. 6 in the name of the hon. member for Dartmouth-Halifax East (Mr. Forrestall). All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner): Pursuant to Section 11 of Standing Order 75 the recorded division on the proposed motion stands deferred.

The question now is on motion No. 7 in the name of the hon. member for Dartmouth-Halifax East (Mr. Forrestall). All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner): Pursuant to Section 11 of the Standing Order 75 the recorded division on the proposed motion stands adjourned.

Mr. Forrestall: I rise on a point of order, Mr. Speaker. Since it is not quite one minute to four o'clock I wonder, in light of the serious reservations the Chair might have in respect of the next amendment, and since the government has no further amendments, whether it might facilitate the business of the House if that amendment could be dealt with and disposed of now.

The Acting Speaker (Mr. Turner): The Chair has strong reservations about the procedural acceptability of motion No. 8. This motion seeks to amend a statute which is not presently before the House, namely, the Arctic Waters Pollution Prevention Act. It seems to the Chair that motion No. 8 goes beyond the scope of Bill C-61 as adopted by the House at the second reading stage, and therefore it cannot be put to the House. I would refer hon. members to Citation 406 in Beauchesne.

Mr. Forrestall: Very briefly on the point of order, Mr. Speaker, we recognize that this objection was raised in committee. That is the reason we accept the ruling. It is unfortunate that I did not personally have the opportunity further to commend to members of the House the necessity of closing our Arctic waters to foreign ships and retaining them for Canadian ships with Canadian crews, operating within the parameters of Canadian law.

● (1600)

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Turner): It seems to the Chair that motion No. 8 goes beyond the scope of Bill C-61 as adopted by the House on second reading stage and therefore cannot be put to the House.

Order discharged and Motion No. 8 withdrawn.

The Acting Speaker (Mr. Turner): It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills, private bills.

PRIVATE MEMBERS' MOTIONS

[*English*]

The Acting Speaker (Mr. Turner): Shall notice of motion No. 2 stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): Shall notice of motion No. 15 stand?

[The Acting Speaker.]

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): Shall notice of motion No. 19 stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): Shall notice of motion No. 34 stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): Shall notice of motion No. 37 stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Turner): The House will now proceed to the consideration of motion No. 5.

* * *

ENVIRONMENT

SUGGESTED INSTITUTE OF HUMAN ENVIRONMENTAL STUDIES

The House resumed from Friday, October 18, 1974, consideration of the motion of Mr. MacLean:

That, in the opinion of this House, the government should consider setting up, in co-operation with the provinces, an Institute of Human Environmental Studies to determine, among other matters (a) the degree of air, soil, water and noise pollution the human species can tolerate without serious effects on physical and mental health (b) the type of environment which stimulates the most desirable qualities of physical and mental health in the human species (c) the type of national development which would give satisfactory environment to the greatest possible number of Canadians (d) the minimum of modifications to the present day indiscriminate and largely unplanned growth of our metropolitan areas necessary to put within reach of the inhabitants of these areas a quality of environment which would provide (i) adequate housing (ii) adequate recreational facilities including parkland (iii) adequate social infrastructure, such as transportation, education, hospital and recreation facilities.

Mr. Arnold Malone (Battle River): Mr. Speaker, I take real pleasure in resuming debate on this motion which was put forward by the hon. member for Malpeque (Mr. MacLean). It is a sad fact that this motion is not in the form of a government bill so that we could give it the due consideration which it deserves.

This motion refers to the setting up of an institute of human environmental studies in co-operation with the provinces. The whole motion, when viewed in clear perspective, shows that it is a positive motion which refers to the analyzing of human behaviour and forces which affect the behaviour of human beings both positively and negatively.

I think it would be of interest for the House to note at this time that we are about to enter into a debate on Bills C-83 and C-84, both of which deal with how and why we should punish human beings. Bill C-83 recommends a minimum 25 year prison sentence and Bill C-84 discusses whether or not this country should apply capital punishment. Both these bills are punitively orientated. For far too long our society has been hooked on the notion of cure rather than prevention. That is true so far as the Department of National Health and Welfare is concerned, and also it is true of the whole of our legal system. To deal with

human behaviour is to set out to punish those acts that are deemed undesirable, as proposed in the bills which we will be debating in a few weeks. The motion before us, however, recognizes the importance of the environmental, physical and social aspects in shaping the human condition.

Thomas Edison thought he was constructing a better candle when he invented the light bulb. History proved him to be quite wrong because the light bulb did not just produce a better form of light, it changed our society. The effect of the light bulb was to bring in shift work and to transform the lives of men and women in North America. Likewise, the women's liberation movement is not a product of women per se but rather the aftermath of technology and technological development. The new role of women is brought about largely by the dishwasher, the automatic laundry, drip dry fabrics, instant foods, flush-a-bye diapers, contraceptive devices, television, and many other products of technology.

Similarly our hope for human happiness lies in our understanding and control of our physical and emotional environment. We watch television programs such as "Untamed World" and "Outdoor Canada" and we learn about the space requirements for the Canada goose and the travel patterns of the red fox, but we fail to concern ourselves with the crowding in urban areas, the lack of daylight in many of our apartments, the lack of green areas and places for children and adults, the harshness of noise. We note that the places we allow for children and adolescents are largely restricted to places where an adult is necessary to organize the child's play.

Simply put, Canada today is quite a different Canada from that of 100 years ago. One hundred years ago 80 per cent of Canadians lived in rural communities. Today more than 80 per cent of Canadians live in urban areas. It is predicted that 95 per cent of all Canadians will be living in urban areas by the year 2,000. In the single decade fm 1961 to 1971 over 179,000 people left the rural communities on the prairies and migrated to cities.

Let us take a look at some of the changes that are taking place in our society as a result of the tremendous emphasis on urbanization. U.S. studies indicate that cities of 100,000 people cost an X number of dollars to police. Therefore, a city with one million people would cost 10X dollars to police. It would seem mathematically correct. The fact of the matter is that it costs 60 times as much to police cities with one million people as it does those of 100,000. What that illustrates is that the more dense our population is in the cities, the more negative is the behaviour of the population.

The increasing density of our population results in the increase in murders, suicides, robberies, and rapes, in fact an increase in the incidence of behaviour which we assume to be negative in our society. We could ask then, why do we continue to debate the issue of capital punishment, the issue of punitive measures, without at the same time focusing on preventive measures and looking for conditions which would induce a more positive human relationship in the country.

We have debated capital punishment previously, but this time the difference will only be in the speakers. I am referring to the speeches made on the private members' bill in 1924, in the joint committee in 1956, on the private members' bill in 1960, on the Criminal Code amendments in 1961, on the private members' motion in 1966, on Bill C-168 in 1967, on Bill C-2 in 1973 and 1974, and on Bill C-84 in 1976. It is high time that our society began to focus intelligently on what are the environmental conditional changes which can be made that can lead to a more positive kind of behaviour.

We know, for example, that when rats are crowded together they stop breeding and finally resort to eating one and other. We know that horses on a wild range land have a conception rate of nearly 100 per cent but under domestic conditions they have a conception rate of only 30 per cent. What we are really talking about is the biochemistry of our environmental changes We also know that architecture and architectural changes in the styles of our homes and apartments have an effect on human behaviour.

Let me give the example of what happened in an Italian village following World War II. In the 20 years that followed the destruction of the village by bombing during the war a whole new community arose and all the negative behaviours in society, such as murders, rapes and suicides, increased to an abnormal rate. It was discovered through psychological probing of that community that what was fundamentally wrong was that the community had been rebuilt under the Marshall Plan and architects and engineers from the United States were employed in the rebuilding. The building was done without any relationship to Italian architecture. It is simply an example to point out the importance of design and architecture and space relationships to human behaviour. We can give a large number of examples of how we design and put together the world in which we live and how in fact it changes the biochemistry of people, and subsequently their behaviour.

● (1610)

All the following animals will show aggressive or adverse behaviour due to crowding. The sika deer will abandon its young, canines will fail to nurse their young and commence fighting, the Norway rat will begin to eat itself or to eat others, and fight. Those things are all due to crowding, yet on the North American continent today we find that almost 95 per cent of our people are clustered into large urban areas without respect for the full consideration of what might happen in terms of human behaviour.

Over and over again throughout the century we have been contemplating the question of capital punishment and whether we should have stiffer jail sentences, but obviously one of the things we should be focusing on is whether we ought to be concentrating on our real relationships with one another as a result of the environment which we create.

Let us look at pollution. I should like to quote from the book "The Crisis of Survival" by William Steiff, which deals with the city of Los Angeles "where the birds cough". Mr. Steiff writes:

> . . . Or consider the experience of the 22 men working the toll booths at either end of the Brooklyn battery tunnel—all but one in their twenties and thirties. More than half were found to have dizzy spells from a higher than average concentration of carbon monoxide in their lungs. Over the one month period in which the 22 were studied, five of the men had blackouts.

Later he writes:

> The death rate from bronchitis and emphysema in the United States is nine times as high as it was 20 years ago. At the present rate of increase, 180,000 Americans will die of these lung ailments in 1983.

Let us look at noise now. One thing we can say for sure is that we are up to our ears in noise in Canada. Some of the problems that come from noise relate to the eyes—the pupils dilate blood vessels constrict, stomachs turn, and nerves jump. Yet for many people in this society there is no escape. Some experts claim that the noise level in Canada is increasing at a rate of about one decibel per year. Most people feel extreme discomfort at 115 decibels. If loud sounds persist, undoubtedly permanent hearing loss will result.

Noise can also affect the cardiovascular system. Research in both the United States and Europe indicates that noise increases the level of cholesterol in the blood and raises blood pressure. German and Italian medical researchers have found that even moderate noises cause small blood vessels to constrict. This vasoconstrictive reflex is the body's automatic way of responding to the stress of noise. It also occurs during sleep, as is shown by Dr. Gerd Jansen of Essen, West Germany. He measured the vasoconstriction that occurs in the fingers of sleeping subjects when he played recorded noise at only 55 decibels, the level of nearby traffic. The vasoconstriction took place even when the noise exposure lasted only a fraction of a second. Even with this limited exposure the blood vessels took minutes to return to normal. Dr. Jansen concluded that the sound of traffic at night heard by sleeping individuals can endanger their hearts and arteries.

In Italy Dr. Giovanni Straneo found that noise not only causes the blood vessels in fingers and eyes to constrict, but also has the opposite effect on the blood vessels of the brain. The dilation in the brain could be a reason why noises cause headaches. He also found that noise threatens the heart itself by directly altering the rhythm of its beat. In addition it makes the heart work harder by thickening the blood while constricting its flow in peripheral vessels. One of his associates at the university of Pavia found that noise also increases the stomach's flow of acid.

We are only trying to point out that unless we give due consideration to the whole environment then obviously society is making a wrong judgment if it simply decides how to punish people for what is held to be abnormal behaviour. We create the society, Mr. Speaker, and we create the kind of situation that causes people to behave the way they do.

To give another example of the effect of noise I would like to quote from the 1973 edition of *Psychology Today* which states that children living at street level on busy streets had significantly lower reading and language acquisition levels than those who lived above the fifth floor. In controlled experiments in the laboratory it was discovered that noise levels as low as 55 decibels could negatively affect a testing program requiring concentration and manipulative skills.

The fact is, Mr. Speaker, that noise can cause distress, irritability, and abnormal human behaviour. But here we are just a few weeks away from talking about bills that will deal with capital punishment and whether to put people in jail for 25 years or longer. What we ought to be

focusing on is how to build the kind of Canada in which minimal negative behaviours are elicited.

Let us look at the space relationships on this continent. In the city of Los Angeles 60 per cent of the land area is devoted to the automobile. If we look at our spatial needs in a diatic situation we find that from one culture to another there is a difference in spatial needs. A person who has come here from England usually will communicate with another person by focusing on that person's both eyes. In the French culture there is a closer spatial relationship. We note the Italians do considerably more touching than the English, while we find that the Arabs get right into the breath stream of the other person, and even in business relationships speak only a few inches from the other person's mouth.

In Canada we build cities where the parks are miles away, where picture window looks into picture window, and then we tend to blame the abnormal behaviours of society on those who commit them, irrespective of the fact that we have in our culture done a great deal to cause those behaviours. The question should not be how to punish or not to punish, but how to focus on what we can do to create a society which is happy.

We can make any species of animal act abnormally simply by controlling the following factors: the amount of light or darkness, the increase or decrease of temperature, space limitations or crowding factors.

The motion reads:

> That in the opinion of this House, the government should consider setting up, in co-operation with the provinces, an institute of human environmental studies to determine among other matters (a) the degree of air, soil, water and noise pollution the human species can tolerate without serious effects on physical and mental health (b) the type of environment which stimulates the most desirable qualities of physical and mental health in the human species (c) the type of national development which would give satisfactory environment to the greatest possible number of Canadians—

Today we should ask the House to consider that if as a nation we consider we have the right to punish people who act in some form extraneous from those mores outside the law, then surely we bear an obligation to reshape the kind of environment that causes that behaviour. I think we have ample information to illustrate quite clearly that environment definitely has its effect on all of the animal species and in many cases, as is clearly demonstrated, on the human organism.

● (1620)

We know how high noise levels can affect children and their ability to learn, how pollution can affect health, and how lack of living space can give rise to aggressive and abnormal behaviour. The motion asks the federal government, in conjunction with the provinces, to take seriously its obligations and responsibilities to those who act outside the law but, at the same time, to recognize its responsibilities for creating an environment which will stimulate a positive and constructive response. Let us create an environment which will elicit from people positive and constructive behaviour. I commend this motion to the House, Mr. Speaker, and wish to tell hon. members that it has been a pleasure to participate in this debate.

Mr. Maurice Harquail (Restigouche): Mr. Speaker, I am delighted, on behalf of the government party, to respond this afternoon to the motion calling for the establishment of an institute of human environmental studies. First, let me say this. We are in a period of restraint. Despite that, hon. members opposite propose motions in private members' hour calling for the expenditure of money. Is not that strange, considering that hon. members opposite plead that the government should cut costs here and there, and criticize expenditures on government programs? Notwithstanding such criticisms, an hon. member opposite presented the motion now before the House.

This afternoon I should like to address myself particularly to that part of this motion concerned with creating an environment which is likely to provide, among other amenities, adequate housing. First, Canadians by and large are adequately housed. There are individuals who need public help to obtain suitable housing and there are excellent programs in operation to help them. Legislation is now before parliament to make these programs even more effective. Canadians are, as a general rule, among the best housed people in the world. I suggest, Mr. Speaker, that we are not complacent about our accomplishments. Certainly we need to be continually striving to improve our housing stock and to anticipate our changing needs in the years ahead.

From what I have been able to discover, Central Mortage and Housing Corporation is doing a very good job in its field. In so far as housing is concerned I do not see pressing need to create another institution, be it an institution of human environmental studies or any other. We should resist the temptation to create a brand new organization each time a new challenge appears on the horizon.

I should like to speak for a few minutes about the work being done under CMHC's demonstration and development program which is to ensure that housing and the community environment will adequately meet the needs of our present population and of generations to come. I am satisfied with government directives and policies relating to CMHC. We are concerned not only about bricks and mortar; our main concern is to meet the real needs of the people of this country. Canadians are concerned about the environment in which they live; they are concerned not just with their own individual houses; concern extends to their physical and social environment as well.

The demonstration and development programs are directed toward developing and demonstrating attractive and affordable alternatives in housing and community. The government hopes to share with the building industry the results of these demonstrations and development projects. The builders will have to produce these structures at market prices, which means fair prices, and we will see what the Canadian public feels about them.

We want to build communities that better meet the needs and aspirations of all Canadians. The Woodroffe demonstration project here in Ottawa is one example. This will be a new community of about 14,000 people on 425 acres of land. The first task, of course, is to find out what people want. They ultimately decide whether a community succeeds or fails. People should be brought into the planning process at the very beginning, to work with the designers and the various levels of government.

At Woodroffe there is already a citizens' program to provide for the participation of citizens in the surrounding area affected by the project and for that of future residents or their representatives. A forum has been established to help identify and resolve controversial issues which might otherwise hold up the planning process. The object of these programs is to provide people with a satisfying environment and with the full range of possibilities for enhancing the quality of their lives.

Woodroffe will demonstrate that a totally planned community is better than piecemeal development. It will set standards for improvement of social, physical and economic arrangements for community development. CMHC will underwrite the pre-development and research costs. CMHC will be the developer and will use whatever techniques are necessary to build successfully. Then the corporation will transfer the ideas, products, and knowledge gained, providing an incentive to the building industry in this country to follow suit.

This work concerns the whole realm of human settlements in the suburbs as well as inner city. It concerns rural areas, new communities and metro satellites, and the aim is to improve living conditions. One of the objects is to reduce the pressure on the suburbs where, at present, most housing development takes place, and to restore balance in access, distribution, and choice of housing in urban as well as rural areas.

CMHC is examining ways to revitalize the inner city by recycling old buildings such as warehouses for residential and related uses. It is continually searching for alternative solutions to housing needs which will provide variety in order to broaden choice of housing accommodation and ensure sensible use of available physical resources. For example, it is studying the feasibility of building housing and community facilities over existing shopping centres.

At present the choice of housing accommodation is too limited. At one extreme we have low density single family housing eating up the land. At the other extreme we have high rise, high density housing developments. There is little doubt that between these two extremes there is an opportunity to build medium density accommodation, and CMHC is trying to fill this gap by developing new housing forms to increase choice, provide more amenities and save on land, services, and agricultural land.

As I said when I began, we are in a period of restraint. I am surprised that an hon. member opposite would introduce a motion asking the government to involve itself in the control of environment right across this country. If the motion were to succeed we should be forced to assume a substantial financial burden. Members on the government side are only too familiar with the attitude of opposition members who criticize and attack the government for spending money in the carrying out of various programs and policies the government has adopted.

I feel that existing government institutions, including CMHC, the ministry responsible for urban affairs, and DREE, are effectively improving and managing our built-up environment. I share the concern which is evident in the motion about the preservation of our living places but cannot support the motion because I feel that the institute which it proposes to establish would be an inappropriate and unnecessary response.

Human Environmental Studies

● (1630)

Miss Aideen Nicholson (Trinity): Mr. Speaker, in Canada certain environmental problems such as poor sanitary conditions and accompanying communicable diseases are no longer the greatest cause of mortality and morbidity as they still are in many other countries. As a result of progressive measures introduced by the federal government, the provinces, and municipalities, conditions such as inadequate, unsafe water supplies, and poor or non-existent waste disposal have been eliminated in many regions, and are being brought under control elsewhere.

As these classical causes of human suffering and death have been eliminated, other environmental hazards to human health have become apparent. These often exert their effects in a more subtle way. Many are the direct result of man's social and economic development, notably as a result of industrial development and urbanization. Well known problems of this type include the release of mercury from chlor-alkali plants and the emission of lead from automotive exhausts or from industrial smelters.

Even our increased opportunities for leisure bring environmental hazards to health; for example, amateur pottery has brought hazards of lead poisoning from incorrect glazing techniques, and the pollution problems associated with cottage development around many of our lakes are well known.

I believe we have recognized the importance of environmental factors in relation to human health. Much of the emphasis in the Department of Health document "A New Perspective on the Health of Canadians" is concerned with the importance of preventive measures as a means of reducing human illness, death and suffering, and perhaps as a more cost-effective way of maintaining good health than the traditional medical approach of diagnosis, treatment and cure. Environmental factors, and the need to control their influence on human health, figure prominently in the propositions set forth in the "New Perspective" document which proposed courses of action to identify and bring under control those physical and chemical factors and psycho-social influences that, together with microbiological agents, make up the ecosystems that most directly affect human health.

Toxicologists of the Health Protection Branch are conducting research on a number of chemical agents in our air, soil, and water in order to determine the degree of pollution that people can tolerate without serious effects on health. The results of these investigations will continue to be used, together with all other available relevant scientific evidence as part of the ongoing monitoring of the indications for control of the environment, including the workplace environment, in order to safeguard health.

The influence of physical factors such as heat, light, noise and ionizing radiations on health and well-being is also being studied by the Health Protection Branch.

Several of these programs, such as that relating to ionizing radiations, have been in existence for many years, but others are relatively new or have recently been greatly expanded. For example, in recent months research to identify potential toxic chemicals in drinking water has been intensified. As new concerns arise, the Health Protection Branch has responded by adapting its research priorities.

[Mr. Harquail.]

Perhaps a good example of this is provided by the present concern over asbestos fibres in drinking water.

The identification of significant amounts of asbestos in drinking water was first accomplished by scientists of the Health Protection Branch a few years ago. The health significance of the discovery that water supplies in certain areas contain relatively high levels of asbestos was, and remains, uncertain. Officials of the branch have worked closely with their colleagues in the United States to design extensive investigations that may be expected to resolve this question; these officials continue to receive and evaluate the results of these studies as they become available. At the same time other scientists in the branch are involved in the development of methods that could be used to monitor drinking water for asbestos fibres if it should become apparent that there is good reason to develop regulatory standards because of a health hazard. Others are studying the possibility that asbestos fibres in water could become airborne and consequently available for inhalation through humidifiers.

These are some of the ways in which the Department of Health is addressing the problem of identifying risks to human health from environmental agents. Of course the work directly carried on by the department is augmented by research on the influence of environmental agents on cells, tissues, and organisms, undertaken mainly by university laboratories sponsored under the national health grants' scheme by the Medical Research Council and by the National Research Council.

Having defined the nature and degree of environmental health hazards it becomes essential to control those agents that pose a threat to human health and well-being. At the federal level a number of acts of parliament may be used in particular cases, depending on the nature of the hazardous agent, the medium, whether air, water consumer products, in which the agent occurs and on the nature of the population at risk, be it general population or workers. We must recognize also that the provinces have significant responsibilities in relation to health matters.

In the context of environmental health issues there is a good deal of federal-provincial co-operation in order to co-ordinate programs and to attempt to get results which will lead to a more uniform standard of health protection across Canada.

Under the aegis of the Subcommittee on Environmental Health of the Advisory Committee on Community Health, a federal-provincial committee reporting directly to deputy ministers of health, the Canadian drinking water standards and objectives are currently being revised. Another working group of this committee has recently completed an in-depth study of the incidence of asbestos-related disease in Canada and has recommended steps that ought to be taken by the appropriate authorities at the federal and provincial levels to confer a greater degree of protection for workers who come into contact with asbestos as a result of their employment.

Another group is at present considering a number of occupational health problems including the development of model legislation for use in Canada, and an assessment of occupational health manpower needs and training.

The interrelationships between environmental factors and health are highly complex ones. This results in appreciable uncertainty on many issues on which judgments and decisions are required. It is important, therefore, that any regulatory actions be followed up by monitoring and surveys to determine if these actions have indeed achieved the desired effect. This may involve analysis to determine the quantities of toxic agents present in the environment, and much is already done by the Department of the Environment to provide just this type of information.

In some cases it may be preferable to assess the health status of target populations either by intensive studies in high risk groups or by more general surveys such as the Canada Health Survey. In conjunction with the provinces, this type of investigation is now well established in the Health Protection Branch's programs. It seems to me that many of the matters proposed for an institute of human environmental studies are already dealt with in the Environmental Health Directorate of the Health Protection Branch of the Department of National Health and Welfare.

Co-operation with the provinces is being achieved through consultative mechanisms that are in place; a number of joint investigations have already resulted from these arrangements. Other aspects, inferred in the motion, are already addressed by ongoing programs of the Department of the Environment and by other federal agencies. Again, consultative mechanisms, formal and informal, exist to ensure co-ordination of programs.

● (1640)

In summary, the scientific and medical expertise already exists within the federal and provincial governments to achieve the aims suggested for the proposed institute, and while there is always room for improvement in the co-ordination or development of existing programs I find it difficult to persuade myself that we need yet another structure when there are existing structures in place.

Mr. F. A. Philbrook (Halton): Mr. Speaker, it is a pleasure to join the debate today on motion No. 5 which proposes the establishment of an institute of human environmental studies.

I should like to congratulate the hon. member for Malpeque (Mr. MacLean) for bringing forward this motion. The subject is a noble one. It harks back to the more idealistic concepts of the sixties and the stress which was laid then on education, culture, science, and the preservation of the environment. It is certainly a contrast to many of the more hard-nosed subjects with which we seem to be preoccupied in the seventies—economics, law and order, and so on.

We have already heard about the government's role in environmental concerns. Some age old problems have been brought under control in countries like Canada although not in many less advanced countries, problems such as poor sanitation, inadequate and unsafe water supplies, poor or non-existent waste disposal systems, communicable diseases, insect and animal reservoirs and vectors of disease. These have recently been replaced, however, by other environmental hazards of modern industrial society—heavy metal poisoning often involving mercury or lead, and our leisurely, sedentary lifestyle. The latter is being attacked by the federal department of health through a modern approach which may prove more economical as well as more effective than health care.

Research and control programs are being conducted with respect to many chemical and physical agents in our surroundings which might affect our health, agents in the air, the soil and in the water. But there is a further approach apart from the considerable and fine work which is going on in government. I became aware of this other approach to the environment in 1974, and indeed I became involved in it.

I should like to refer to some correspondence. The subject involves the concept of a United Nations university with headquarters in Tokyo, Japan, and departments scattered around the world. Perhaps there will be one in Canada. There is a certain interest in having a department of the environment in the UN university in Canada, perhaps in Toronto.

On February 4, 1975, I received a letter from Professor Alfred P. Bernhart, Chairman, Environmental Health, University of Toronto. It read:

Dear Dr. Philbrook:

The United Nations General Assembly, as you probably know, has passed a resolution to form a United Nations University. Japan has taken the initiative to secure the United Nations University headquarters in Japan, yet several centres will be spread throughout the world.

As Toronto citizens, we feel strongly that Canada, and Toronto in particular, should be the location of the centre for environmental problems.

We feel that in Toronto there are many of the intellectual resources which are needed for such a centre and we feel that the support of such an undertaking would fall very well into Canada's external aid program.

The Mayor of the City of Toronto has set up a committee under the chairmanship of Alderman David P. Smith and this committee has reported to the Secretary of State for External Affairs.

We respectfully request at this time that you support this endeavour in discussions with the Hon. Allan J. MacEachen, Secretary of State for External Affairs.

A little later, on March 31, 1975, I received a second letter from Professor Bernhart as follows:

Dear Dr. Philbrook:

Thank you for your encouraging response to our request to support the United Nations University concept in discussions with the Secretary of State for External Affairs, the Honourable Allan MacEachen.

I am sorry that it took us so long to answer, but there were some important developments during the last two months, which clarified matters relating to the head office of the United Nations.

The Secretary General of the United Nations, after receiving advice from a selection committee, has appointed Dr. James Hester (President New York University) to be rector of the United Nations University effective September 1975 for a 5 year term, once renewable. Also appointed were 24 members of the governing council of the United Nations University, the council then elected Dr. Roger Gaudry (Rector University of Montreal) their chairman.

The rector will establish the United Nations headquarters in Tokyo, Japan. Japan has pledged an endowment fund of $100 million. The fund will be payable in 5 yearly installments, but only if that amount is less than 25 per cent of money given to the United Nations by all countries. In other words, they expect other countries to allocate $300 million. Only one country has so far responded: Senegal with $23,000.00.

In its charter, the United Nations University states as objectives the betterment of mankinds conditions, co-existence, human rights, social justice, quality of life environment and resources. The charter outlines a head office (now decided to be in Tokyo) and several (ten to twelve) centers located in various countries of the world, each for one "Mission" (for Canada we suggest the environmental center).

Human Environmental Studies

Our association suggests that Canada's interest is twofold: first to make a contribution towards the UN University as a whole; and second to establish a regional center in Canada, preferably in Toronto.

Canada's contribution towards the UN University as a whole is expected to be about $12 million, payable over several years. This is 3 per cent of the estimated total requirement of $400 million,—(Canada's share of the overall United Nations budget is 3 per cent).

We believe, that if budgetary difficulties should occur, the required funds could come from the already approved allotment for the Canadian International Development Agency (CIDA), which is about $730 million.

A draft of our associations proposal for a Canadian international component on environmental "missions" is attached. I like to stress that our proposal entails an all-Canadian thought input, even though we like to see the office of the component in Toronto. The financial requirements for this proposal would be $45,000.00 per year.

That letter certainly establishes the interest in this country, particularly in Toronto, in this United Nations environmental centre.

Finally we had the response by our own government through the then minister of the environment, as follows:

Dear Dr. Philbrook:

Environmental Centre for the United Nations

I have studied the letter which you received from Professor A. P. Bernhart in which he seeks your support for the establishment in Toronto of a centre for environmental problems associated with the United Nations University.

In 1972, Canada voted for the principle of the establishment of a United Nations University. Since then, a Canadian position with respect to our participation in the project has not been determined. An interdepartmental task force, under the chairmanship of the Department of External Affairs, currently bears the responsibility of establishing a Canadian position.

As indicated by Professor Bernhart, the headquarters of the university has been set up in Tokyo. A few months ago Dr. Roger Gaudry, former rector of the University of Montreal, was elected as Chairman of the University Council. The location, throughout the world, of centres associated with the university will be a function of the Council of the University, for which the Council will be responsible to the General Assembly of the United Nations.

● (1650)

With respect to your specific question I am advised that, in terms of intellectual and physical resources, the location of a centre for environmental problems in the Toronto area is feasible. There are, as you know, a number of universities and associated specialized environment institutes in the area. Of these, a number, among others in Canada, receive federal assistance. Further, federal environmental activities in the area include the Canada Centre for Inland Waters in Burlington and the headquarters of the Atmospheric Environment Service of the Department of the Environment.

It should be noted, however, that the desirability of establishing such a centre in the Toronto area may be another question. The interest in such a project and the willingness of the various groups to collaborate in the development of an intergrated program and to accept the additional influx of students will require careful planning and cooperation amongst the institutions involved.

Furthermore, because of the administrative costs, it is almost certain that the Province of Ontario would have a direct interest in the matter and should be included in any further consultations.

I imagine that it is questions of this sort which are being dealt with by the interdepartmental task force considering the whole United Nations University question. In any event, I will ask my officials to pay particular attention to the possibility of establishing a United Nations University centre for environmental problems in the Toronto area.

Yours sincerely,

That is signed by the present Minister of Communications (Mrs. Sauvé). It was dated July, 1975.

[Mr. Philbrook.]

In conclusion, I suppose one wonders why this is not going ahead faster since it certainly seems to be a worthy project for Canada. It would seem to be in line with motion No. 5 proposed by the hon. member for Malpeque. I suppose the obvious answer is simply economics. We have a tight money situation and most countries seem to have restraint programs at the present time, so I think it is a reasonable answer to the hon. member's proposal for this worthy institution. Personally I think it should go ahead. There are several alternatives, and it would be reasonable at this time to accept the necessary financial restraints for such an institution.

Mr. Ian Watson (Laprairie): Mr. Speaker, I am happy to be able to contribute to the debate this afternoon. The part of the hon. member's motion of prime interest to me is his reference to the growth of our metropolitan areas and the largely unplanned aspects of that growth which are having an increasing effect on the living conditions of a very large number of Canadians.

The thing that really frustrates me more than anything else about parliament is that over a number of years, having made representations almost since the time I arrived here, I have yet to convince the government that it should be utilizing one power that exists, at least indirectly, as a lender under the National Housing Act. Our cities have grown and expanded enormously since the second world war largely, at least initially, as a result of money lent, to individuals and companies building homes, through Central Mortgage and Housing Corporation under the provisions of the National Housing Act. Had we wished to use this power and not been so fearful of upsetting provincial sensibilities, we could have avoided many of the errors in planning that characterize the suburbs of every city in Canada. Even now the minister is talking about one million new homes, so it is not too late to act.

We should be using these lending powers of ours to insist on basic standards of planning, basic minimums for green space and minimums for recreational facilities. Although we are told this is being done, we are not really doing this yet. There is now a move afoot to apply more pressure on municipal and provincial recipients of lending funds to provide basic standards of planning, but we have a long way to go, it seems to me, before achieving the kind of minimum planning that will guarantee to the future population of Canada the kind of cities and suburbs that are possible if properly planned.

We have heard a lot over the years about quality of life. Quality of life means to me the quality of the living conditions in the places where we spend most of our lives, that means our homes, our communities, and the access between our communities and the places where we work, shop, and are educated.

As far as housing is concerned, I agree that Canadians are probably the best housed people in the world, but what about the communities in which their houses are situated and the access of these well housed people to their work and schools? Ask the people in my constituency who have to wait and choke for two or three hours every morning in the fouled atmosphere of traffic jams to cross the St. Lawrence River into Montreal when they are sitting beside an unused rail line what they think of their quality of life.

As for the communities that have been built since 1945, communities that were expanded usually every time the economy needed a boost, will they stand the test of time? How many of these suburbs will our children point to with pride and say were built with foresight and with long-term human objectives in mind?

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Watson: Well, Mr. Speaker, I believe another hon. member has an intervention to make, and although I have many more things to say I will concede to him.

Mr. Knowles (Winnipeg North Centre): This is not only a filibuster, it is an organized filibuster.

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, I realize time is very short. I think we on the government side are very gratified that the hon. member has brought this motion to the attention of the House, which looks at environmental problems in a comprehensive way, not just as an isolated problem of polluted air, water, or waste disposal.

Mr. Paproski: You don't care about the problem; you just want to talk it out.

Mr. Anderson: There is ample evidence that high quality is necessary to sustain high biological productivity, with the best and most efficient use of resources on which we depend for prosperity.

Mr. Paproski: Question.

Mr. Anderson: I think the hon. member on the other side may have some interest in this subject, though perhaps it does not affect his area as it does my area in British Columbia. For example, if much more pesticide is put into the ocean we will have a dead ocean.

Mr. Paproski: You are talking it out.

Mr. Anderson: I am sorry that the hon. member does not feel that this is a subject for his attention.

The Acting Speaker (Mr. Turner): Order, please. The hour provided for the consideration of private members' business has now expired. It being five o'clock p.m. this House stands adjourned until Monday next at two p.m., pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, March 8, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

STATUS OF WOMEN

REQUEST FOR MEASURES TO IMPROVE STATUS—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise under the provisions of Standing Order 43, on a matter of urgent and pressing necessity. Considering the fact that today is International Women's Day and despite the fact that many years have passed since those female garment workers demonstrated for better working conditions, the economic status of women has not changed sufficiently, I move, seconded by the hon. member for Brant (Mr. Blackburn):

That the Minister of National Health and Welfare take steps to ensure that all working mothers have access to day care facilities, that the government accept the concept of equal pay for work of equal occupational status and further that the minister consider the proposal of wages for housework.

Mr. Speaker: Pursuant to Standing Order 43, such a motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1410)

ORAL QUESTION PERIOD

[*English*]

ADMINISTRATION OF JUSTICE

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REQUEST THAT CONSUMER MINISTER REVEAL CONVERSATIONS WITH MINISTER OF PUBLIC WORKS AND MR. TURNER

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs. It has to do with extra-judicial activities in connection with the contempt of court proceedings; both the former minister of finance and the Minister of Public Works have confirmed that they discussed those contempt of court proceedings with the judge involved. Would the minister tell the House about the substance of his conversations with the former minister of finance and the Minister of Public Works relative to the conversations those gentlemen admitted having?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, last January 30, my counsel, Mr. Gabriel Lapointe, registered an appeal from the judgment made against me by Judge Hugessen in a case of contempt of court. At the same time, he also presented and obtained a request of appeal from the sentence. This case will be heard soon by the Quebec court of appeal. Under the circumstances, I cannot and I will not make any statement related to this matter.

[*English*]

Mr. Clark: Will the minister tell us—and this information could in no way affect proceedings before the court—whether he invited the former minister of finance and the present Minister of Public Works to intervene in any way with the judge who was in charge of those proceedings?

[*Translation*]

Mr. Ouellet: Mr. Speaker, I have no further comments to make.

[*English*]

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—POSSIBLE REQUEST BY CONSUMER MINISTER TO PERSONS OUTSIDE HOUSE TO INTERVENE

Mr. Joe Clark (Leader of the Opposition): We regret very much this refusal to put before the House information relating to the conduct of ministers of the Crown. I wonder whether I might make one final attempt. Having regard to the admission of the Minister of Public Works in this chamber—and the minister appeared to show none of the reluctance exhibited by his colleague today—that he and a great many other public-spirited citizens had spoken to the associate chief justice, could the Minister of Consumer and Corporate Affairs tell us whether he asked persons outside this House to intervene on his behalf?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I understand the Leader of the Opposition is not a lawyer. If he were, he would certainly understand that when someone is involved in a matter before the courts, that someone has certain rights, and I trust that in this case the hon. member will respect them.

[*English*]

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REPLY OF CHIEF JUSTICE DESCHÊNES TO REQUEST FOR REPORT

Mr. Elmer M. MacKay (Central Nova): A supplementary question to the Minister of Justice. Could the hon. gentleman tell us what information he has received since

last Friday from Chief Justice Deschênes with respect to alleged contacts with justices of his court by ministers of the government, and what role, if any, Chief Justice Deschênes feels it is proper for him to take in determining the propriety of ministerial conduct in connection with the matters mentioned in Mr. Justice Mackay's letters?

Hon. Ron Basford (Minister of Justice): I have not received any information from the Chief Justice of the Superior Court except that he anticipated replying to my letter early next week.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REQUEST FOR ASSURANCE OF THOROUGH INVESTIGATION

Mr. Elmer M. MacKay (Central Nova): Should Chief Justice Deschênes not intend to conduct interviews with members of the government, what assurances can the minister offer this House that a thorough investigation of conversations not only between members of the government and judges but between ministers themselves will take place? Can the hon. gentleman indicate what safeguards exist there for the elucidation of information for the people of Canada?

Hon. Ron Basford (Minister of Justice): As I said on Friday, I thought it inappropriate, having regard to my view of the independence of the judiciary and the separation of the judiciary from the government, for me to make further recommendations to the government on this matter until I had had an opportunity of inviting the chief justice of the Superior Court to draw to my attention any information he deemed it appropriate for me to have in the circumstances.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REQUEST FOR PUBLIC INQUIRY

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a brief supplementary question for the Prime Minister. Since the matters contained in conversations between some of his ministers do not appear to fall within the jurisdiction or purview of Chief Justice Deschênes unless the Chief Justice were given special powers of inquiry, has the Prime Minister reconsidered his initial policy of not having a public inquiry into this matter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I agree that Chief Justice Deschênes of the Superior Court would not normally be called upon to look into conversations between members of my cabinet. I think that is quite proper.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REASON FOR CLAIMING CONVERSATIONS BETWEEN CONSUMER MINISTER AND MINISTER OF PUBLIC WORKS PRIVILEGED

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs and is on the same subject. Being a lawyer, I am sure the minister will understand that those conversations will not affect the question before the court. In answer last week the Minister of Public Works indicated that those conversations were privileged because both persons participating in the conversations, the minister and the Minister of Public Works, are both lawyers. Would the minister advise the House whether he is invoking a solicitor and client privilege with regard to those conversations as a protection?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, the hon. member has certainly not listened to the answer I gave to the first question of the Leader of the Opposition. I therefore invite him to refer to the remarks I made at the beginning of the question period.

[*English*]

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—POSSIBILITY OF INQUIRY EVEN IF CHIEF JUSTICE DESCHÊNES FINDS NOTHING IMPROPER

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my supplementary question is addressed to the Minister of Justice. In a letter dated February 10 the chief justice of the province of Quebec, in writing a letter to Mr. Justice Mackay, said that "your letter to the Minister of Justice is couched in terms which, were I the minister, I would find unacceptable". In view of the fact that the Chief Justice has already rendered a verdict of sorts in his letter of February 10—I realize the Minister of Justice has not ruled out a recommendation for a full inquiry—would the minister still consider a full inquiry even if the Chief Justice of Quebec finds nothing improper as a result of his investigation?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I would point out to the hon. member that on Wednesday last I said that, as a matter of practice both in this case and in future matters, I did not intend to comment at large on correspondence passing between myself and members of the judiciary. I would advise the hon. member that the letter to which he refers from the Chief Justice of the Superior Court was not apparently written when the Chief Justice had in front of him the letter of February 20.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REQUEST FOR TABLING CORRESPONDENCE WITH CHIEF JUSTICE DESCHÊNES

Mr. Stuart Leggatt (New Westminster): A final supplementary question, Mr. Speaker. Would the minister in any event table the piece of correspondence that he had with the Chief Justice so that this House and the country can at least determine the specific terms of reference given to the Chief Justice in terms of his own investigation into this matter, and can judge whether the minister is conducting a full inquiry into the matter?

Hon. Ron Basford (Minister of Justice): Again, Mr. Speaker, I indicated last Wednesday that I did not think it proper to divulge correspondence between me and members of the judiciary. However, I realize this is an important matter and I will consult with the Chief Justice of the Superior Court on that point. I have indicated in the House that the purport of my request to the chief justice is to

bring to my attention, if the Chief Justice deems it appropriate, information that may be in his possession and which he considers appropriate to pass on to me.

* * *

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I want to put a question to the right hon. Prime Minister.

Since the alleged dispute between the provincial Liberals of Quebec and the Liberals of Ottawa will provide an excellent theme for the next election in Quebec, can the Prime Minister tell the House whether Quebec Liberals have undertaken to do the same kind of favour to their federal friends and invent another artificial crisis in the event of a federal election?

* * *

● (1420)

[*English*]

ADMINISTRATION OF JUSTICE

GOVERNMENT POLICY ON COMMUNICATION BETWEEN MINISTERS AND JUDGES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. Can the Prime Minister advise this House if it is the policy of this government that it is satisfactory procedure for a minister of the government or a senior civil servant to speak to a judge about a matter that is before the courts?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if it is in order to influence the judgment of the court the answer is no. I should add—

An hon. Member: Go back and read your law books again.

Mr. Trudeau: Yes, what page and what chapter?

Mr. Hees: Mr. Speaker, my supplementary question is to the Prime Minister. Is it the view of the government that it is satisfactory procedure to speak to a judge about a matter that is before the court? Is that correct?

Mr. Trudeau: My answer was no, Mr. Speaker. The hon. member is a little—

Mr. Speaker: The hon. member for Moose Jaw.

Mr. Neil: Mr. Speaker, my question was for the Minister of Public Works who is not in the House, so I would waive my right and ask it later.

INSTRUCTIONS TO MINISTERS AND GOVERNMENT PERSONNEL CONCERNING COMMUNICATION WITH JUDGES

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is supplementary to the one asked by the hon. member for Prince Edward-Hastings of the Prime Minister. As a result of the episode involving federal cabinet ministers and the judicial system, and in view of the great concern and doubt expressed by the general public that the administration of justice is being undermined, casting a detrimental reflection on the integrity of all members of this House and understandably creating embarrassment and indignation on the part of the judges, has the Prime Minister instructed all Cabinet ministers as well as senior government officials to not, under any circumstances whatsoever, contact judges directly or indirectly on matters before the courts?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe if I gave those instructions they would be quite incorrect. The minister has just given some examples of necessary contact between the judiciary and the executive. I myself have had occasion to talk to judges on various matters many times—on the initiative of the judges who would phone me. The important rule is that there be no attempt to interfere or influence the course of justice, but there are naturally communications between the judiciary and the executive on such matters as, for instance, the fact that some judges have to be appointed to courts and we want to know what area the Chief Justice thinks should be strengthened, would it be civil law or commercial? There are many factors between the ministers and the judiciary. The important rule is that it not be made with an attempt to influence the course of a trial.

Mr. Towers: A supplementary question, Mr. Speaker. As a result of this fiasco what are the plans of the Prime Minister to allay the fears of Canadians, because nothing he has said up to the present time has accomplished that?

Mr. Trudeau: Mr. Speaker, perhaps what we said today will accomplish that. I shall ask the hon. member to report tomorrow on what the Canadian public is thinking.

* * *

THE CANADIAN CONSTITUTION

ROLE OF PRIME MINISTER IN RETURN OF CONSTITUTION TO CANADA

Mr. G. W. Baldwin (Peace River): Mr. Speaker, if I might draw the attention of the House in another direction I should like to congratulate the right hon. Prime Minister on his successful escape from the second battle of Quebec with not too many visible wounds. I should like to ask him who speaks for the government on the question of bringing back the constitution to Canada—the Minister of National Health and Welfare who said in his inimitable way that the Prime Minister was kibbitzing or joshing or the right hon. gentleman who, from what I saw of him on television for at least the benefit of English Canada, did lash himself into an awful rage?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not think the question was too serious, but if I could be allowed to deal—

An hon. Member: Oh yes it is.

An hon. Member: Ask the premier.

Mr. Trudeau: Mr. Speaker, three were not two battles of Quebec, there were three. Apart from mine there was one in 1759 and one in 1760.

Mr. Clark: You did better in that period.

Mr. Baldwin: A supplementary question, Mr. Speaker. With regard to bringing the constitution back to Canada does the right hon. gentleman intend to go to Buckingham Palace by his little self and bring it back here or does he intend—

Mr. Paproski: Bring it back on a bicycle.

Mr. Trudeau: Mr. Speaker, the hon. member should understand that when we talk about the patriation of the constitution it really does not mean putting statutes in a little satchel and bringing them back. If I can use layman's language it means to ask the United Kingdom to deprive itself of the right it has of making laws for Canada. This was done by the Statute of Westminster for the other Dominions. It was not done for Canada. All we want now is for the United Kingdom, through its proper parliamentary channels, to renounce that right. We think all Canadians would be happy if we put an end to this.

Some hon. Members: Hear, hear!

Mr. Baldwin: I have one final supplementary, Mr. Speaker. Will the right hon. gentleman come to this House and make a statement telling us exactly what he intends to do so we will all have the information and be able to do something about it as well.

Mr. Trudeau: Mr. Speaker, apparently the station to which the hon. member listened in Alberta did not carry the full story. It might be that if the hon. members wants me to do it right here I could just re-read what I said as recorded in *Hansard* of October 1974. If he would look it up he would see what I said then.

* * *

EXTERNAL AFFAIRS

INDIA—REASON FOR NEGOTIATING FOR RESUMPTION OF NUCLEAR ASSISTANCE AND SAFEGUARDS DEMANDED

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question which is directed to the Prime Minister is based on the grave concern of thousands of Canadians that Canada through its export policy is willfully and knowingly contributing to the increasing likelihood of a world nuclear catastrophe. Given the fact that India has already exploded a nuclear device in direct contravention of an earlier agreement with Canada and further that India still refuses to sign the nuclear non-proliferation treaty, what prompted the government to re-open negotiations with India for a resumption of nuclear assistance to that country.

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, the discussions going on with India are precisely to get India to accept the safeguards which we think are essential now that they have exploded an atomic device. We are not re-opening discussions with them. We are pursuing the discussion began with them after that explosion of some one and one-half to two years ago, after which we cut off technical aid to India. We said we would not resume it until we have reached a satisfactory conclusion. It is to that that the discussions are directed.

Miss MacDonald: Mr. Speaker, given the horrifying implications for disaster that these negotiations present and because of conflicting reports that have emanated from New Delhi as to the agreements reached over the weekend, will the Prime Minister say what understanding was arrived at and also what conditions Canada is demanding that India meet before nuclear assistance is resumed. Have we for instance made it a condition that India sign and ratify the nuclear non-proliferation treaty?

Mr. Trudeau: Mr. Speaker, I have not read the reports of the discussions and negotiations which were going on in India last week and I believe over the weekend. I am sure the Secretary of State for External Affairs will answer when he is back in the House.

Miss MacDonald: Mr. Speaker, will the Prime Minister give this House the assurance today that the terms of any accord between Canada and India will be tabled in the House for debate before it is ratified.

Mr. Trudeau: Mr. Speaker, this is not the parliamentary custom.

* * *

THE CANADIAN CONSTITUTION

APPROVAL OF PARLIAMENT BEFORE ACTION TO BRING TO CANADA

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wish to put a question to the Prime Minister which perhaps is supplementary to the matter raised by the hon. member for Peace River. The Prime Minister is quoted as having said that if it is not possible to secure agreement at a federal-provincial conference to bring the constitution and its amending process fully under Canadian control there will be unilateral action by the federal government. In view of the fact that any proposal to amend the Canadian constitution is a very important matter and clearly within the jurisdiction of parliament as distinct from the government as such, will the Prime Minister undertake that before any action is sought in the United Kingdom on this issue Parliament as a whole will be fully consulted and its full approval sought.

● (1430)

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I can give that undertaking. I would like to make a slight correction to the premise which is based perhaps on an erroneous report. I said we would give consideration to acting unilaterally. I quite agree with the hon. member that if that course has to be taken, it would have to be done of course by resolution of both chambers of parliament.

POSSIBILITY OF NEW AMENDING FORMULA AT TIME CONSTITUTION BROUGHT TO CANADA

Mr. Andrew Brewin (Greenwood): I would like to ask the Prime Minister whether in any proposal to bring back the constitution from Great Britain by means of a federal unilateral action a new amending formula will be substituted for the present power of the parliament of the United Kingdom in such a manner as to protect and entrench the basic language and civil rights within the provinces and to ensure that no further amendments would be made without at least some reasonable consensus of the provinces on all changes affecting provincial legislative powers.

Right Hon. P. E. Trudeau (Prime Minister): I can assure the hon. member that it would not be the intention of the government to see in Canada a constitution which could be amended unilaterally by the federal government once it is back. I think I should make that quite clear, and I believe that is the essence of the question of the hon. member. But I would go further and say that there is no intention on the part of the government to ask parliament by joint resolution to even contemplate such limited action without further consultation with the provinces.

As I indicated in January of this year, I believe, negotiations had been going on for almost a year with the various provinces in the hope that we would find agreement on a way to amend the constitution and repatriate it. I think that we are now about to reach the conclusion that it is unlikely that we will get unanimous agreement. My next step would be to report to all the provinces on the status of the discussions as we see them now. I would just add what I said in my statement on Friday night, and it seemed to have escaped attention. I said that I did not despair of even Quebec agreeing to that. I even said that I hoped there would be unanimous agreement, and we still hope for it. But at this stage I will contact all premiers and report to them on the status of the negotiations.

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EXTERNAL AFFAIRS

POSSIBILITY OF ARRANGING FREE DELIVERY OF MILK POWDER PURCHASED BY RELIEF ORGANIZATIONS

Mr. Dean Whiteway (Selkirk): Mr. Speaker, in the absence of the Secretary of State for External Affairs I wish to direct my question to the right hon. Prime Minister. It has to do with surplus milk powder in Canada. In view of the fact that several world relief organizations, including Food for the Hungry, have attempted to buy surplus powdered milk and have experienced the usual bureaucratic runaround ending back with CIDA, I wonder if the minister would indicate to the House whether or not the government of Canada would make the same arrangement as did the Netherlands, that is that upon purchase by world relief organizations the milk would be delivered free anywhere in the world.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I will take the question as notice and inform the minister.

REQUEST FOR COMMITTEE STUDY OF POLICY ON NUCLEAR SALES

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the right hon. Prime Minister and it goes back to the question raised by the hon. member for Kingston and the Islands. In answer to the last question asked by the hon. lady, the Prime Minister said it was not the custom of the House to report to the House on international agreements before they are signed. Bearing in mind that that is in opposition to the policy announced by his predecessor twice removed, the Right Hon. Mackenzie King, may I ask the Prime Minister now, because of the public confusion over who is making the policy on nuclear sales for this government—

Some hon. Members: Question.

Mr. Roche: —whether it is a representative of the Prime Minister's office or representatives of the Department of External Affairs, will the Prime Minister make an immediate reference to the Standing Committee on External Affairs and National Defence to review the decision making process on this subject which is of extreme importance to world safety?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the question seems to have many parts. The delegation in India engaged in these negotiations is there of course with the authorization of the Secretary of State for External Affairs. They are his appointees and they are acting in complete agreement and in co-operation with the high commissioner in India. As to the other reference, I do not know what my predecessor twice removed did. I was just quoting what has been current practice since I have been in parliament. I will try to establish contact with the Right Hon. Mackenzie King and report to the House.

An hon. Member: How about Ivan Head?

Some hon. Members: Oh, oh!

MOZAMBIQUE—CLOSING OF BORDER WITH RHODESIA—REQUEST FOR REPORT

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I should like to direct my question to the minister responding for the Secretary of State for External Affairs. Subsequent to the declaration by Mozambique closing the border with Rhodesia, which put the country on a war footing, and following reports of increased shipments of Soviet supplied armaments reaching Mozambique, is the minister able to give any report to the House concerning this immediate threat to world peace?

Hon. Mitchell Sharp (President of the Privy Council): We do not have any direct contacts which would enable us to confirm or otherwise these reports. However, we do share the general anxiety about the situation in southern Africa, and I think it reinforces the view we have had that there should be no intervention by outside powers in that part of the world.

Mr. Johnston: Has Canada made any commitment, either individually or with other countries, to aid in com-

pensating Mozambique in any way for losses consequent on the closing of its border with Rhodesia?

Mr. Sharp: No, Mr. Speaker, but the hon. member will recall that Canada, like other members of the Commonwealth, had given an undertaking to discuss the situation, and when we have made official contacts with the government of Mozambique we will find out whether there is some way in which we could help which would promote peace and not war.

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IMMIGRATION

REFUSAL OF LANDED IMMIGRANT STATUS TO STEVEN BADGER OF AUSTRALIA—REQUEST FOR REVIEW

Mr. Bob Brisco (Kootenay West): Mr. Speaker, in the absence of the Minister of Manpower and Immigration my question is directed to the jocular Prime Minister. In view of the fact that Steven Badger of Australia has been in Canada and attending school here for two and a half years and that he is by reputation one of the world's finest swimmers and that he has just been refused landed immigrant status in Canada, this refusal coming just after it was too late to qualify for his own Olympic team in Australia and he has now been denied the opportunity to swim either for Canada or for Australia, will the Prime Minister urge a careful review of Mr. Badger's application in order that he may represent us at the Olympics?

Right Hon. P. E. Trudeau (Prime Minister): I will gladly take notice of the question, Mr. Speaker. I was not aware of the situation. I will refer it to the minister for study.

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FINANCE

EFFECT OF RAISING BANK INTEREST RATE

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. Would he indicate whether he was consulted prior to the Bank of Canada raising the bank rate to an historical high and, if so, did he agree that the move should be made? Would he also advise what impact the raising of the bank rate will have on our mortgage interest rates and on the cost of borrowing for the average Canadian?

Hon. Donald S. Macdonald (Minister of Finance): The answer to the first part of the question is yes. Of course, it would be difficult to make a total estimate in response to the second part.

Mr. Stevens: In view of the national policy of high interest rates, would the minister indicate if he has been in touch with the banking institutions and has he asked that they cushion the impact of this high rate for homeowners and those requiring personal financing in the country?

Mr. Macdonald (Rosedale): With respect to residential lending policies the hon. member will be familiar with the policies put forward by my colleague, the Minister of State for Urban Affairs with respect to favourable interest rates for residential accommodation. Of course, one of the purposes of the rate increase is to further control the rate of increase of the money supply, and in that sense it would naturally have an effect on the lending policies of the chartered banks.

● (1440)

RATIONALE FOR LOANS TO FOREIGN COUNTRIES AT LOW INTEREST RATES WHILE DOMESTIC INTEREST RATES HIGH

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, a supplementary question to the Prime Minister. In view of the surprisingly high interest rate structure in this country, would the Prime Minister indicate the rationale of the government in extending lines of credit of $500 million to Russia, $500 million to Poland and $100 million to Cuba at interest rates of approximately 7 per cent?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member should understand that such lines of credit are extended in order to stimulate Canadian external trade and therefore to create employment in Canada.

Mr. Stevens: Why just to the communist nations?

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FISHERIES

RED FISH—CLOSING OF FISHERY IN GULF OF ST. LAWRENCE—POSSIBLE STUDY OF INTERMINGLING OF OFFSHORE AND GULF STOCK

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of State (Fisheries). The minister has announced that the Gulf of St. Lawrence will be closed to all vessels fishing for red fish effective noon, March 6, until midnight, April 30. Since this action was taken on the recommendations of the minister's scientists, would he indicate whether a study has been conducted with regard to the intermingling of red fish stocks from our offshore banks with stocks in the gulf? If so, when was this study made, and what is the percentage of intermingling between these two stocks? At the same time would the minister indicate whether there was an impact analysis of the effect of this action on Nova Scotia and Newfoundland?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I would have to have some detailed data on the statistics and research which has been done, but certainly the scientists knew in 1973 that the gulf stock would be depleted and the spawning stock would have been reached by late 1975 and 1976. Their prediction is turning out to be accurate. I will report in more detail to the hon. member.

Mr. Crouse: Since the Spanish pair trawlers and the Faroe Island trawlers are more destructive to our fisheries than to those of any other nation, by throwing back into the sea hundreds of thousands of pounds of red fish, flounder, yellowtail and any other fish caught in their trawls while they are fishing for cod, is this the type of

conservation policy the minister is proposing for Canadian fishermen, not allowing them to catch more than 5,000 pounds of red fish per trip, or is this regulation subject to revision when our fishermen start throwing their excess red fish catches back into the sea?

Mr. LeBlanc (Westmorland-Kent): I am afraid I cannot go along with the blanket condemnation of the hon. member. The foreign fleets which are fishing in the gulf are there as part of the phase out agreement. Three out of four will be phased out this year. Twelve of these vessels were boarded by our officials. There was no evidence of a big catch of red fish. They are not fishing for red fish. They do catch some, incidentally. The industry should regulate itself in the gulf, as it has off Nova Scotia, to stop discarding haddock and abide by the regulations which we put into effect with their co-operation and their agreement.

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TRANSPORT

ATLANTIC COAST FERRY SERVICE—POSSIBILITY OF FARE INCREASES EQUALLING SUBSIDY REDUCTION

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to address a question to the Minister of Transport. Because of the importance to the economy of marine ferry service on the east coast and the need for sufficient lead time for the companies involved to be properly organized for the heavy summer season, can the minister say when he will be in a position to tell us what fare rate increases will be permitted and whether these fare rate increases are expected to make up entirely for the severe cut in subsidies which has been made by the Treasury Board, especially with regard to the Northumberland ferry service?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the amount which is hoped to be cut, and which is indicated in the restraint program, is a total of $5 million. This will be spread over the various ferry services in the region. I expect a decision with regard to the specifics to be made quite soon, but some further consultations with the provincial government and with members of parliament are going on at the present time.

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SUPPLY AND SERVICES

CONTRACT WITH LOCKHEED—PROVISION FOR MONTHLY PAYMENTS

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of Supply and Services. Could the minister inform the House if the contract for the Lockheed LRPA clearly set out the terms and amounts of the monthly and milestone payments which were to be paid by the Canadian government to Lockheed during the life of the contract?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, the contract has not been signed yet, therefore it has not come into effect.

[*English*]

Mr. McKinnon: I am sure that must be the most well known fact in the country, but it has nothing to do with the question I asked the minister. I asked if the contract contained a schedule of monthly and milestone payments. This is the original contract which has been in the minister's possession for several months. Did it not contain a schedule saying when the money was to be paid by Canada to Lockheed?

[*Translation*]

Mr. Goyer: Mr. Speaker, I cannot say it in any other way. Really, I cannot explain more simply what is going on: the contract has not been signed, and therefore is not in force; we cannot therefore talk about a binding contract between the two parties.

* * *

[*English*]

AGRICULTURE

FERTILIZER—POSSIBLE DELAY IN DELIVERY—GOVERNMENT ACTION

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I have a question for the Minister of Agriculture. In light of the fact that the government has previously interfered in the marketplace when necessary with respect to the availability of fertilizer to farmers, and in view of some concern by fertilizer suppliers that later in the spring this year there could be a problem with transportation and delivery because of too much having to be delivered at one period of time, what advice does the minister have at the present time for farmers to assure that they will have fertilizer when they need it in the spring?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, our publications have advised farmers to buy their fertilizer early, contrary to that report.

Mr. McKinley: Because it has been reported that the minister has refused to speak to the fertilizer companies, does he not think the present situation might be rectified if he could convince the fertilizer manufacturers and distributors to offer a larger discount to farmers for accepting early deliveries, or is that too simple a situation for the minister's department to figure out?

Mr. Whelan: It would be a frosty Friday when this minister would refuse to speak to them if he was asked. I was not asked to speak this year. I was asked to be present, but I was not asked to be the main speaker. The main speaker this year was Premier Blakeney from Saskatchewan.

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ENERGY

OIL—EFFECT OF POSSIBLE TAKEOVER OF ATLANTIC RICHFIELD BY PETRO-CANADA ON SYNCRUDE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources regarding the proposed take-

over of the Canadian assets of the Atlantic Richfield Corporation of the United States by Petro-Canada. In view of the fact that the main reason for the delay in signing the Syncrude agreement arose from the difficulty of acquiring Atlantic Richfield's permits and leases in the Athabasca oil sands, will the acquisition of Atlantic Richfield's Canadian assets, resolve the difficulties with respect to the Syncrude consortium, and in the event that this proposed takeover is completed, how soon after that does the minister envisage the signing of the Syncrude agreement?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, there are a number of different questions there. Let me try to deal with each of them.

The first point I wish to make is that the question of the leases and the possible take over by Petro-Canada of ARCAN are unrelated events. The second point has to do with the Syncrude agreement itself and when it might be signed. That is going to depend very much on what we are able to negotiate with the province of Alberta. At the present time we have not been able to reach an agreement on a reasonable rate of return on the pipelines and utilities. We have proposed that we should put this issue out to arbitration. I believe the province of Ontario and the private sector companies would support that particular approach, but that is the log jam at the present time.

I must also say that we have not yet concluded, although I am hopeful we will reach, an agreement on the outstanding leases.

POSSIBILITY PETRO-CANADA WILL NEED ADDITIONAL CAPITAL TO FINANCE TAKEOVER OF ATLANTIC RICHFIELD

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that only some $10 million has been allocated for Petro-Canada in this fiscal year, in the event that Petro-Canada does acquire the Canadian assets of Atlantic Richfield, what amount of money is going to be made available to the national petroleum corporation for working capital in addition to the purchase price which at the present time is being thought of in terms of some $400 million? Will additional funds be made available to Petro-Canada so that it can operate this company in the event that the purchase is negotiated?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Petro-Canada has retained consultants to advise it on the reasonable value of assets of ARCAN. The major part of these assets are oil and natural gas producing assets. It is by no means certain that ARCAN and Petro-Canada will arrive at a mutually agreed figure for the take-over of those assets. If they do, the financing plan by Petro-Canada for the take-over will have to be submitted to the government. It is possible that a large proportion of those assets will be financed without government assistance.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

• (1450)

ELECTIONS

REASON FOR DELAY IN CALLING BY-ELECTION IN ST. JOHN'S WEST

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, may I direct a question to the Prime Minister? In view of the Prime Minister's comments at the end of the year about the need for changes in society, will he assure the House and the Canadian people that he and the government still feel that one of the fundamental rights in our democratic society is this: that a properly accredited electorate in any constituency in Canada is entitled to representation by elected officials in the House of Commons?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker.

Mr. Dick: A supplementary question, Mr. Speaker. Why is it that after Gérard Pelletier, the cabinet minister, resigned to become ambassador in Paris the Prime Minister called a by-election within 60 days, whereas in the case of the vacancy in St. John's West the by-election was not called until the last moment, thus depriving the people of that area representation in the House of Commons for over one year? Will the Prime Minister not announce an earlier date for the by-election?

Mr. Speaker: Order, please.

* * *

ENERGY

BURIAL OF RADIOACTIVE MATERIAL AT EAST BRAINTREE, MANITOBA—REASON FOR CHOICE OF SITE

Mr. Jake Epp (Provencher): Mr. Speaker, may I direct my question to the Minister of Energy, Mines and Resources? Some days ago I asked the minister for information concerning the burial site of radioactive material at East Braintree, Manitoba. The burial site was completed under the auspices of the Department of National Health and Welfare and the Manitoba Cancer Research Foundation, without the express knowledge of the Atomic Energy Control Board. Has the minister been able to check further? Has he information other than that he sent me in letter form? Will those people who, without permission from the Atomic Energy Control Board, chose the site be questioned on why the site was chosen and why the regulations of the AECB were not followed in the choice of the site?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I believe satisfactory discussions have taken place between AECB and the provincial government agencies involved.

Mr. Epp: A supplementary question, Mr. Speaker. With respect, although those discussions might be acceptable to the two bodies concerned, the people of my riding are also deeply concerned. I ask the minister, again, will he make a statement on motions or some other occasion informing the

constituents of Provencher that eastern Manitoba is not becoming a burial site for radioactive material?

Mr. Gillespie: Mr. Speaker, I am sure if the hon. member would use the information I provided to him by letter he would be able to assure his constituents, as I will assure them right now, that there is no danger to health.

STUDY OF FUNDY TIDAL POWER—DATE OF COMMENCEMENT

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Will the minister tell the House when the five phase study of Fundy Tidal Power recommended over a year ago will commence? Will the minister consider placing these studies under the over-all direction of DREE which has a physical presence in the area and can study and promote a simultaneous, compatible industrial development in the region?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, to the best of my knowledge that work is already under way and is being supported on a 50-50 basis by the federal government and the two provinces concerned, Nova Scotia and New Brunswick. The federal government has put up $1.5 million, payable over two years.

* * *

EXTERNAL AFFAIRS

INDIA—SUGGESTION SPENT NUCLEAR FUEL BE RETURNED TO CANADA

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is directed to the Prime Minister and concerns safeguards affecting India. Is it, or will it be, a condition of any agreement that spent fuel shall be returned to Canada for reprocessing, to ensure that Canadian nuclear material will not be used to produce further nuclear explosions in India and to ensure environmentally sound standards of disposal and storage of nuclear wastes?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that precisely, is one of the questions being discussed. As I indicated earlier, I have not received the report.

* * *

ENVIRONMENTAL AFFAIRS

ADVICE OF MINISTER ON DISPOSAL OF NUCLEAR WASTE RETURNED FROM REACTOR SOLD ABROAD

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, may I direct a supplementary question to the Minister of the Environment? As the minister stated that he advised the government regarding the return and reprocessing of nuclear waste from reactors sold abroad, has the minister advised the government on the environmental aspects of nuclear waste disposal and storage, as applied to agreements currently being discussed with India?

Hon. Jean Marchand (Minister of the Environment): Mr. Speaker, I think that question ought to be directed to the Minister of Energy, Mines and Resources.

* * *

AGRICULTURE

DESTRUCTION OF FRUIT TREES IN ONTARIO BY ICE STORM—REQUEST FOR FEDERAL AID

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, my question is for the Minister of Agriculture. It relates to the recent damage experienced by the tender fruit industry, particularly in the counties of Kent, Elgin and Norfolk, following the ice storm last week. As early estimates indicate that at least 50 per cent of the trees have been destroyed, what measures has the minister taken to assist the industry, following that disaster?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the matter was brought to my attention by the president of the Canadian federation just this weekend. The usual procedure is to assess the damage, which is very great, especially to cherry and peach trees, and report to the province. If the province sees fit and makes further representations to the federal government, we will certainly give the matter consideration.

* * *

COMMUNICATION

ACTION TO MAKE CABLEVISION AVAILABLE TO RESIDENTS OF DALHOUSIE, NEW BRUNSWICK

Mr. Maurice Harquail (Restigouche): Mr. Speaker, my question is directed to the Minister of Communications and arises from delays in bringing cable television to the residents of Dalhousie. What action might the minister take to have private television people from CKCW at Moncton and Saint John, New Brunswick, complete the installation of equipment and bring in 100 per cent CBC programming to northern New Brunswick?

[*Translation*]

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, the matter of various people's access to CBC programs is the responsibility of the Secretary of State; I therefore feel that the question should be addressed to him. But with regard to possible applications for cable service in that area, I imagine the CRTC will, eventually, hold hearings in the course of studying such applications.

* * *

[*English*]

ANTI-INFLATION BOARD

JUSTIFICATION FOR EXPENDITURES OF ADMINISTRATOR

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, my question is for the Minister of National Revenue. As the budget for the Anti-Inflation Board administrator is for $298,000 for three months, almost $100,000 a month, and as the administrator has dealt with only one

request made by the Anti-Inflation Board, how does the minister justify this large expenditure?

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, I suspect that when the hon. member studies the supplementary estimates he will see that the expenditures were considerably less than $100,000. We should commend the administrator for the manner in which he is operating his office. His funding will be substantially less than $100,000 a month.

* * *

AIRPORTS

DATE OF ANNOUNCEMENT OF NEW POLICY ON CAR RENTAL LOCATIONS

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Minister of Transport. When will an announcement be made regarding a new policy for car rental locations at Canadian airports?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, discussions with the interested participants in the industry are going well. I plan to formulate new proposals and conclusions on the basis of those discussions but cannot give the hon. member a date.

* * *

HEALTH

LOSS OF RESEARCH SCIENTISTS—GOVERNMENT ACTION

Mr. Bruce Halliday (Oxford): Mr. Speaker, my question is for the Minister of National Health and Welfare and relates to funding for medical research. On March 6, 1976, the Stratford *Beacon Herald*, in an article headlined "Canada losing medical brain through lack of federal fund" reported the loss of medical research scientists to the United States, among whom is a researcher at the University of Toronto, Dr. Irving Fox. The physician in chief at the Toronto General Hospital and chairman of the university's department of medicine, Dr. Charles Hollenberg, was commenting on the loss of Dr. Irving Fox, an arthritis researcher, to the United States, because of lack of equipment and funding in Canada. Is the minister concerned about Dr. Hollenberg's comment, and the fact that people are leaving Canada because of the attraction of greater funds and better equipment elsewhere?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the answer is yes. Still, there is always a flow of researchers between Canada and the United States.

[Mr. Hamilton (Swift Current-Maple Creek).]

[*English*]

AGRICULTURE

REASON FOR SURPLUS OF MILK PRODUCTS

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Agriculture. In view of the build up of milk products in Canada, the dairy industry lending itself to supply-management, can the minister tell the House what went wrong in the decision-making process of the Canadian Dairy Commission, or is the present situation beyond the control of that federal authority?

● (1500)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, one of the things that usually has to be considered is the excellent weather conditions, and the fact we are dealing with a biological entity called a cow. They respond to conditions. Last year they over-responded. In addition, world conditions compounded the situation with 1,600,000 tons of surplus skim milk powder. This took away some of the market from Canadian producers. It again points out the efficiency of Canadian dairy producers.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

TABLING OF LETTER FROM JUSTICE MACKAY

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, last week I tabled a letter I had sent to the Prime Minister; today I should like to complete the exchange of correspondence by tabling the other letter I received from Justice Kenneth Mackay.

[*English*]

Mr. Speaker: Order, please. The Standing Orders permit the tabling of documents that relate to the administrative competence of the minister. It is evident that this document is sought by the House but it is not strictly within the minister's departmental competence. I wonder, therefore, if the House gives consent so that the document might be tabled.

Some hon. Members: Agreed.

Mr. Clark: Mr. Speaker, in my questioning earlier today, I think I inadvertently suggested that the Minister of Public Works and the former minister of finance confirmed that they had conversations with the judge in the case. Of course, what they confirmed was conversations with their colleague, the Minister of Consumer and Corporate Affairs. I simply want the record to be clear as I was in error in my original remark.

Mr. Brewin: Mr. Speaker, I rise on a point of order. During the question period the Minister of Consumer and Corporate Affairs refused to answer questions relating to his alleged requests of one of his colleagues and one of his former colleagues to intervene on his behalf with a judge dealing with contempt of court proceedings. He claimed, as I understood it, the privilege of not answering to the high

court of parliament because the contempt of court proceedings were still before the courts.

My point of order is that this is a spurious and unjustifiable claim. It is true that if a criminal proceeding is pending and may be prejudicially affected by a discussion in parliament, that discussion may well be out of order. However, proceeding by way of contempt of court is not a criminal proceeding. It is a civil proceeding. Moreover, it arises out of statements made by the minister at an earlier date. Discussion in parliament of the later attempt to secure intervention does not in any way affect the position of the appellate courts in the previous issue. Therefore, the minister has refused to answer to this parliament questions that are totally relevant, by claiming a privilege that is non-existent.

Mr. Speaker: The hon. member for Greenwood raises a point of order. Of course, the hon. member understands there is no obligation upon any minister to answer any question. Whatever reason the minister may give for refusing to answer may be his reason. The fact is the minister may be giving an explanation. He does not have to lean upon any kind of point of order or privilege not to answer a question. He is, in fact, under no obligation to answer the question. While I take the hon. member's representation as a sincere one, I cannot find that it is an established or well taken point of order.

Mr. Lang: Mr. Speaker, I rise on a point of order arising out of that comment. Hon. members should appreciate that the long-standing rule in relation to comments on cases before the courts applies to both criminal and civil cases.

Some hon. Members: Oh, oh!

Mr. Lang: It leads to a general rule of restraint that should lead members of parliament not to engage in debate here when a matter is before the courts in any way which can lead to any implication of impact or effect upon it. That rule is broader. I do not want to go further than that. While there are double grounds for the minister's position, it should be known there is that restraint that is appropriate in this House.

Mr. Coates: Mr. Speaker, the minister has seen fit to interject his opinion I presume as a former minister of justice. There is a responsibility on every member of parliament not to become involved in discussions in this House in so far as something that is before the courts is concerned. There is also a very heavy obligation on the part of every member of this House not to interfere with any judge who is hearing any case involving a person who happens to be a member of this House, or any other individual in this nation, when the judge is in a position to make a decision in that instance. That has been going on, and it is a well-known fact.

Some hon. Members: Oh, oh!

Mr. Coates: It is time the people of this nation were aware of that. Members of parliament should not interfere with judges.

Some hon. Members: Oh, oh!

Mr. Coates: Mr. Speaker, the spurious argument that the minister just made was sticking in my throat and I could not stand it.

Some hon. Members: Hear, hear!

Mr. Coates: I wish to state, further, that in the 18 years I have been a member of this House I have never had an occasion where I felt justified in telephoning any judge in any part of this country, in any court, about any constituent.

Some hon. Members: Hear, hear!

Mr. Hees: That goes for all the rest of us on this side.

Mr. Speaker: Order, please. Notwithstanding the considerable contributions from both sides of the House in addition to the point originally raised by the hon. member for Greenwood, although it is a very interesting and important matter for discussion and debate with regard to the standard of conduct respecting these things, the fact is it does not constitute any reference to the privileges of members of this House. It does not constitute a point of order. Rather than get into a debate on this matter, which is clearly not permitted under our rules, the subject having been equally contributed to on both sides we will consider the matter closed.

Mr. Brewin: Mr. Speaker, may I make reference to the point made by the Minister of Transport? At a meeting of the Standing Committee on Privileges and Elections some months ago we had the benefit of advice from parliamentary counsel who looked into all the precedents and made it absolutely clear that criminal and civil proceedings were not to be lumped together. In civil proceedings there is no plea of privilege or *sub judice* that can be raised unless the matter is exactly an issue before the courts and unless it is directed to influencing that decision. I suggest to the minister that before he gets up to volunteer advice he should find out the facts.

Some hon. Members: Hear, hear!

● (1510)

ROUTINE PROCEEDINGS

[*English*]

ANTI-INFLATION BOARD

TABLING OF RECOMMENDATIONS RESPECTING ASSOCIATION BARGAINING IN CERTAIN INDUSTRIES

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should like to table copies of the Anti-Inflation Board's recommendations with regard to association bargaining in the construction, grain handing, longshoring, shipping and trucking industries.

[*Translation*]

GOVERNMENT EXPENDITURES RESTRAINT ACT

MEASURE TO AMEND OR REPEAL CERTAIN STATUTES TO ENABLE RESTRAINT OF GOVERNMENT EXPENDITURES

Hon. Jean Chrétien (President of Treasury Board) moved for leave to introduce Bill C-87 entitled: "An Act to amend or repeal certain statutes to enable restraint of government expenditures."

Motion agreed to, bill read the first time and ordered to be printed.

* * *

[*English*]

CANADIAN WHEAT BOARD ACT (NO. 2)

MEASURE TO PROVIDE FOR ELECTION OF MEMBERS OF ADVISORY COMMITTEE

Hon. Otto E. Lang (Minister of Justice) moved for leave to introduce Bill C-88, to amend the Canadian Wheat Board Act (No. 2).

Motion agreed to, bill read the first time and ordered to be printed.

* * *

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

STANDING COMMITTEE TO TRAVEL TO WASHINGTON, D.C.

Hon. Mitchell Sharp (President of the Privy Council) moved:

That members of the Standing Committee on External Affairs and National Defence be empowered to travel to Washington, D.C., from March 10, 1976, to March 12, 1976, in relation to the committee's order of reference in connection with international development and that the necessary support staff do accompany them.

Mr. Speaker: Pursuant to Standing Order 21(2), this notice of motion is transferred to and ordered for consideration under government orders later this day. I understand there is some disposition on the part of the members of the House to dispose of the matter without debate. Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Motion agreed to.

Mr. Marshall: Mr. Speaker, I did not get the opportunity to bring up a vital question during the question period, and I wonder if this might be the appropriate time to express the great concern which has been felt in connection with the seal hunt which is due to take place in a few days. Information has become available that the green dye to be used may be harmful to the animals, and I should like to ask the minister whether he would agree to make a statement with regard to action which might be taken in the light of this evidence. In view of the fact that it could be harmful to the lives of people, and in view of the fact that instructions are being issued and should be gazetted tomorrow, perhaps the House might be made aware of them by the minister.

[Mr. Macdonald (Rosedale).]

Mr. Speaker: Order, please. The hon. member for Humber-St. George's-St. Barbe has raised a point of order. The hon. Minister of State responsible for fisheries.

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I am in your hands as to the regularity or otherwise of this procedure. I intended to address myself to this issue before the fisheries committee on Thursday morning, I believe. I am certainly ready to indicate to the hon. member what the order in council contains.

Mr. Speaker: Perhaps the first opportunity might be taken to deal with this matter. It might present itself during the question period tomorrow, or in the form of a statement by the minister tomorrow.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,304, 3,901, 3,948, 3,973, 4,033, 4,071, 4,075 and 4,123.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

PANARCTIC OIL—PURCHASING OF OIL TANKERS

Question No. 3,304—**Mr. Forrestall:**

1. Is the Minister of Finance aware of the statements in the press attributed to the President of Panarctic Oil during the week of October 20 to 24, 1975 indicating the possibility that Panarctic Oil will purchase three Scandinavian crude oil tankers for transport of Arctic oil to market should that be feasible?

2. Is the Minister aware of the extent of participation in Panarctic Oil by the government and its agents and, if so, to what extent is this participation?

3. Has the Minister examined the implications of going outside Canada for such vessels in terms of the long-term viability and health of the Canadian ship-building industry and trade balance and (a) if so, what conclusions have been reached (b) if not, for what reason?

Hon. Mitchell Sharp (President of the Privy Council): See Beauchesne's Parliamentary Rules and Forms, Fourth Edition, citation 171(x).

GRAINS DEMURRAGE CHARGES

Question No. 3,901—**Mr. Hnatyshyn:**

1. What were the grain demurrage charges for the period October 1974 to October 1975?

2. For the same period, what were the charges for (a) West Coast ports (b) Great Lakes ports?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): In so far as the minister responsible for the Canadian Wheat Board is concerned: 1.

Demurrage paid by the Canadian Wheat Board in the period October, 1974 to October, 1975 totalled $14,234,858.47.

2. (a) West Coast ports, $13,488,056.79; (b) Eastern ports, $746,801.68. Eastern ports include the St. Lawrence and maritime ports. No demurrage is claimable with respect to the Great Lake ports.

DEPARTMENT OF TRANSPORT—PROJECT FINANCING IN CONSTITUENCY OF CHAMPLAIN

Question No. 3,948—**Mr. Matte:**

1. Since its inception, has the Department of Transport financed any projects in the Constituency of Champlain and, if so, how many?

2. In each case, what was the (a) name of the project (b) amount granted (c) year the project began (d) year the project was completed?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): 1. Records of projects financed by Transport Canada since its inception are not complete. To provide an accurate reply for the years for which records are available would entail a lengthy and costly examination of the accounts of every administration. However, available records show that since fiscal year 1966/67 this department has not financed any project in excess of $50,000 in the constituency of Champlain.

2. Not applicable.

FACILITIES AT HARMON AIRPORT, NEWFOUNDLAND

Question No. 3,973—**Mr. Marshall:**

1. Has the Department of Transport made or requested a physical inventory of the facilities available at the Harmon Airport in Stephenville, Newfoundland, particularly as it concerns runways and underground facilities for fuel storage or its strategic location as it relates to international landing requirements and (a) if so, what were the findings (b) if not, has any consideration been given to assessing the physical facilities available at little or no cost to Canada?

2. Is DOT aware of the strategic location of the Harmon Airport and the physical facilities available in its determination of declaring capacity available to international or alternate stopovers?

3. What is the position of the Stephenville Airport in provision by DOT of international flight alternatives to Canada?

4. In regard to the government's effort to practice restraint in spending under DOT is any consideration being given to utilize the available facilities left to deteriorate at the Harmon Airport in Stephenville and, if not, for what reason?

5. What is Canada's position as it relates to giving landing rights to international airlines to utilize the availability of Harmon base?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): 1. Transport Canada maintains a complete physical inventory of facilities which exist at Stephenville airport. When the airport was an active airbase, two runways were in service. However, present requirements are satisfied with one 10,000 foot runway, thus the other runway is not maintained. Transport Canada has underground fuel storage tanks at Stephenville airport with a capacity of one million gallons which are not used. Private fuel companies own fuel tanks at the airport which have a capacity of 29,700 gallons and are in use.

2, 3 and 5. Stephenville airport is strategically located in relation to some Trans-Atlantic air routes and is currently being used as an alternate to Gander for those aircraft engaged in the Trans Oceanic Plane Stop Program (TOPS). Apart from the TOPS program, air carriers engaged in international operations have not identified the need for Stephenville as a regular or alternate international airport.

4. At the time that the United States Air Force made the decision to close the base, Transport Canada identified those facilities which were required for civil operations. All other facilities and buildings in this area, which were formerly the property of U.S.A.F., were brought under the administration of the Harmon Corporation. Transport Canada does not see any further requirement for the use of facilities or buildings in excess of those presently in use.

TAX WRITE-OFF FOR PURCHASE OF SMALL TOOLS

Question No. 4,033—**Mr. Hnatyshyn:**

Will the government give consideration to increasing up to $500 the $100 tax write-off for purchase of small tools as suggested at the Western Agricultural Conference held in Regina in January 1976?

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): At present tools costing less than $100 are eligible for inclusion in Class 12 of the capital cost allowance regulations to the Income Tax Act which provides for an annual write-off of 100 per cent. In addition, under Part XVII of the regulations, dealing with capital cost allowance for taxpayers with income from farming and fishing, the same 100 per cent write-off is provided for tools acquired before 1972 and costing less than $100. The effect of these provisions is to allow a full deduction for tax purposes of the capital cost of such tools in the year of purchase. The $100 limit referred to above has been in effect since it was increased to this amount from $50 in 1961. Suggestions that this limit again be raised are presently under consideration.

LIFEBOAT CG 108—SEARCH ACTION IN NEWFOUNDLAND

Question No. 4,071—**Mr. Marshall:**

What action was taken by Lifeboat Base CG 108 in Newfoundland in the search for two seal hunters, Mr. Ronald Boyd and Mr. Eric Stride who were lost out of Moreton's Harbour, Newfoundland?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): 1. The Canadian Coast Guard Lifeboat 108, based at Twillingate, Newfoundland, is a 44 foot boat and is not capable of operating in ice of more than a few inches in thickness. The vessel was laid up on January 21, 1976 because of severe ice conditions in her area of operation and a Notice to Mariners was issued to inform all concerned. Because of her laid up condition, Coast Guard 108 was not called upon to search for the two seal hunters out of Moreton's Harbour. The Canadian Coast Guard icebreaker *Sir Humphrey Gilbert* and Canadian Armed Forces aircraft carried out the search assisted, during favourable weather conditions, by a small vessel from the local area.

Order Paper Questions

WINTER CAPITAL PROJECT FUNDS GRANTED IN CONSTITUENCY OF ROBERVAL

Question No. 4,075—**Mr. Gauthier (Roberval):**

Has the Department of Finance granted any funds in the Constituency of Roberval under the Winter Capital Projects Fund and, if so, in each case, what was the (a) amount granted (b) nature of the project (c) municipality involved since the beginning of the grants up to and including 1975?

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): With regard to Winter Capital Projects Fund loans in the constituency of Roberval the following details applied as of February 17, 1976:

Municipality	Nature of Project	Loan Approved
St. Felicien	Construct Outdoor Track Facilities	$469,251
St. Felicien	Excavate Basement of Community Centre	34,324
St. Felicien	Cultural Pavillion Improvements	7,000
St. Felicien	Sports Area Renovation	21,000
St. Felicien	Sports Pavillion Alterations	21,125
St. Felicien	Construct Municipal Camping Site	296,326
Mistassini	Construction of Waste Disposal Site	1,630
Mistassini	Construction of Sidewalk	9,570
Mistassini	Construction of Water and Sewer Mains	39,355
Normandin	Construct Ice-Making Plant	95,000
St. Prime	Construct Town Hall and Fire Station	133,742
Chibougamou Park	Road Construction	880,000

PRICE AND WAGE INCREASES

Question No. 4,123—**Mr. Robinson:**

Is any consideration being given by the government to gearing our price structure and wage increases to the increase in the gross national product?

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): No. A desirable price structure is one which adequately reflects the relative supplies and demands for the various goods and services in the economy. Wage increases should reflect, among other things, the growth in labour productivity. These economic aims would not be achieved by gearing the price structure and wage increases to the increase in gross national product.

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

[Mr. Goodale.]

GOVERNMENT ORDERS

[*English*]

CRIMINAL LAW AMENDMENT ACT (NO. 1), 1976

MEASURES FOR BETTER PROTECTION OF CANADIAN SOCIETY AGAINST CRIME

Hon. Ron Basford (Minister of Justice) moved that Bill C-83, for the better protection of Canadian society against perpetrators of violence and other crime, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I am very pleased to commence the debate today on this major legislative initiative of the government's peace and security program. In doing so, I wish to express my appreciation to the parties opposite for their co-operation through their House leaders and official spokesmen in having the bill brought forward two weeks after its introduction.

The criminal justice system is both a powerful and a delicate instrument for achieving justice and order. In adjusting the policies underlying it we have exercised great care to guard the continued proper balance between the system's two imperatives: the adequate protection of the safety and security of the law-abiding, and the legal rights and dignity of those charged with offences. When the community shares genuine and serious concerns about the adequacy of protection against those who pose a real and present threat to peace of mind and security of person, we have a duty to take firm and effective measures in response to these real concerns. But the responses must also be measured, not abrogating individual rights or other real safeguards. The measures I shall outline demonstrate a consciousness of the importance of this balance.

No role which falls to me as Minister of Justice is more important than that which bears upon the nature, character and quality of criminal justice throughout Canada. In performing this role, I see three paramount responsibilities which must guide me in formulating, recommending and implementing criminal justice policies. First, I must remain ever-conscious of a number of fundamental values recognized in our legal system upon which our society, as a civilized one, rests and must continue to rest. These bear repeating from time to time. They are: the dignity and worth of the human person; the right of an individual to the enjoyment of life, liberty, security and property; the full protection of the law; the rule of law and due process of law; the independence of the judiciary; the avoidance of cruel and unusual punishment; the protection of the rights of an accused or convicted person; the moral values of our society; the peace and security of the community.

None is, or can be, an absolute. They form a collectivity and in a given situation some values will merit greater weight than others. This is essential to the maintenance of a stable and viable society. The important thing is to ensure that none is ever undermined or discarded. None has been so treated in the peace and security measures.

Second, I must be sure that criminal justice policies are properly responsive to real public concerns. While basic values remain secure, society changes. New or different patterns of anti-social conduct emerge and old ones become more serious. Their related threats to the law-abiding give

rise to deep concerns among the citizens about their continued security and tranquillity. I, as Minister of Justice, we as a government and as members of parliament have a responsibility to be fully aware of these problems and concerns. We must be prepared to bring forth and debate policies which are properly responsive to them. I say "properly" because criminal justice policies establish the moral tone of our society and must therefore be measured and reasoned responses.

Today, few would dispute that many people are deeply and genuinely concerned about the increasing incidence of criminal violence, the growing penetration of organized criminals in our midst, the number of accused or convicted offenders on the streets committing further crimes, and the difficulties the justice system is experiencing in coping with criminal activity.

● (1520)

Third, Mr. Speaker, in bringing forth criminal justice policies it is incumbent upon me, as Minister of Justice, to ensure that they will be effective. The system must be equipped with the tools and means necessary to achieve the goals.

Specifically, the community, the police, the prosecutors, the courts and the correction services must have the capabilities to prevent, detect, apprehend, prosecute, incarcerate, control and rehabilitate the offenders. The sanctions must be strong enough to punish and deter. The most dangerous offenders must be effectively separated from society, for its protection.

All citizens must be given a real sense of personal responsibility in their own conduct, for ensuring their own safety and security. Citizens cannot assume that the peace of their community is none of their business, that it is something they can just push off on to the police and the politicians, and that their only contribution is to complain when things go wrong. In doing all of these things, it remains that the policies must build in proper safeguards to secure the rights of the individual, which has been the hallmark of the criminal justice system in Anglo-American jurisprudence.

The measures before the House, to which I will now turn, are designed to provide the tools and means to achieve these goals. The central objective of Bill C-83, the government's peace and security program, can be simply stated. It is to counter rising violence in our society without resort to violence itself in response, this to the end that law-abiding citizens will know a greater degree of security and safety while still preserving that critical balance in the scales of justice. This bill contains a number of important measures directed to that objective which will adapt our criminal justice system to respond in a more effective yet just way to the rising incidence of crime in Canada, particularly that of a violent or organized nature.

In addition to these legislative measures being prepared, there is a series of important administrative measures that have been announced and described by my colleague the Solicitor General (Mr. Allmand), and which will be debated further by him in this House, relating to significant improvements in the police, parole and penitentiary services and facilities.

There is also, of course, a second legislative measure, Bill C-84, which is not yet under debate, dealing with the penalties for murder. Since it will be the subject of subsequent debate in this chamber, I shall not, of course, debate it this afternoon but confine myself to simply noting that fact. That bill is but one of several measures in the program directed toward imposing strong and effective, but non-violent, penalties and controls for those who engage in serious acts of personal violence, including the ultimate violence of murder.

With regard to the new provisions and principles of Bill C-83, I should like, if I may, to discuss those provisions relating to gun control. The growing number of crimes, deaths and accidents involving the use of firearms is a very proper concern of citizens, one fully shared by the government and one that I trust this House will share. Every year sees a further increase in gun-related murders, robberies, suicides and accidents in Canada. In 1974, nearly 1,500 persons died of gunshot wounds, an increase of 30 per cent over the 1970 number. Firearms were used in one-half of Canada's murders and in at least one-third of the 15,000 robberies. They also account for over one-third of the annual suicides and many accidental deaths. No count is known of the number of non-fatal accidents caused by firearms.

These are clearly statistics that call for measures that will lead to a curtailment of the incidence of gun-related violence both of a criminal and non-criminal nature, while at the same time avoiding undue interference with legitimate ownership and use of common firearms. The government's policy on the control of firearms as set out in this bill is designed to achieve this goal through a series of reasoned legislative and administrative measures based upon the following principles: increased criminal liability for misuse of weapons: increased standards of care for ownership and use of weapons; decreased availability of firearms and ammunition; screening for fitness to possess and use firearms; increased police powers to seize weapons in dangerous situations; increased awareness of the dangers of firearms abuse. The measures are of a comprehensive nature, directed both to those who would use guns for criminal purposes and to others who in using them for legitimate ends must learn to do so with greater respect and care.

For those who use firearms as tools of their criminal trade, no registration or licensing system will effectively curb continued access to and use of weapons. For such criminals the real sanction is and must be denunciatory sentences. To this end, the maximum penalties for unlawful possession or use of ordinary as well as restricted and prohibited weapons are being substantially increased. In addition, any person henceforth convicted of using an offensive weapon while committing an indictable offence will receive a prison term above and beyond that for the indictable offence itself. That is to say, there will be a mandatory minimum sentence in those cases.

For citizens who wish to own or use common firearms for legitimate purposes, a number of control systems were considered closely by the government: total prohibition, firearms' depositories, gun registration and possessor licensing. They were the subject of a full study carried out by Dean Friedland for the government during 1975. Of these,

the one that is the only balanced and reasonable approach to the problem of controlling misuse of firearms is a system of licensing persons who possess guns. This system places primary emphasis on the proposition that no person should be entitled to possess or use a firearm unless he can establish his fitness and responsibility to do so. In other words, ownership and use of firearms should not be a right, but a privilege.

The system of licensing will be a simple and flexible yet effective system, with necessary safeguards to ensure that no one will be unfairly deprived of the privilege to secure a licence for legitimate purposes. Here, Mr. Speaker, I refer particularly to the sports hunter, the target shooter and, indeed, the northern family for whom hunting is a way and a means of life. I am also satisfied that the system reflects the belief shared by the wildlife groups that there is an important need for responsibility in the ownership and use of guns. As we know, there are some one million hunters who readily accept the requirement of a hunting licence in order to use their guns, leaving, however, some two million gun owners unlicensed.

It is important to screen out those who are unfit to possess firearms. It is also important that those with firearms keep and use those weapons in a responsible manner. To ensure this, careless handling and storage of firearms will become subject to criminal sanctions. I will also be urging the provincial attorneys general to provide in their laws a stricter civil liability for firearms' misuse.

There are a number of other important measures contained in this bill which form part of the government's initiative to develop an effective means to curb the growth of gun-related violence in Canada. The government does not pretend for a moment that any or all of these measures together will eliminate the tragic and ruthless gun incidents that now occur. What we believe it will do, through the combination of sanctions, screening and reduced access, is reduce the occurrence of such incidents. With some 1,500 people, in the last year for which we have figures, having died of gunshot wounds of one sort or another, it is incumbent upon me, upon the government and indeed upon this parliament to deal with that situation.

● (1530)

Turning to another aspect of the bill, it hardly needs saying in this discussion that effective apprehension, prosecution and punishment of criminals of whatever kind relies very heavily upon the ability of the police to investigate and detect suspected criminal activities in a timely and efficient manner. This ability becomes critically important where the criminal activities are of a highly complex and sophisticated character. They take place in a well organized and geographically dispersed fashion and the known criminals of the syndicate are often but minor or bit players. The real bosses remain remote, and to all outward appearances respectable citizens.

Nor are the criminal activities of the organized operation gentle in nature. They involve, as we well know from the gangland slayings in Montreal and Vancouver, some of the most violent forms of crime. Even where non-violent, the crimes are of the most insidious nature: loan sharking, extortion, drug trafficking, and prostitution rings. One has but to read the reports of the Organized Crime Commission of Quebec and of the Co-ordinated Law Enforcement Unit of British Columbia to appreciate the scope and character of organized criminal endeavours and activity.

The government share the concern of the public that these criminal business enterprises must be combated and the crime bosses exposed and punished. Because they operate underground, shrouded in secrecy, the law enforcement agencies must be equipped to enable them to carry out their task if the public is to be adequately protected against the threats and incursions of organized criminals.

In this connection, Mr. Speaker, I now turn to the amendments proposed to be made to the protection of privacy legislation, amendments that have been the subject of considerable controversy in certain quarters since the introduction of this bill. These measures will come under close scrutiny before the standing committee and it is not my intention to discuss the details of the proposed amendments at this time. I do wish, however, to set forth my reasons for introducing these important modifications in the privacy legislation and, at the same time, attempt to dispel certain misapprehensions by explaining the true nature and intent of the proposed changes.

First let me say that the amendments we propose in Bill C-83 do not derogate from the fundamental principle recognized by parliament in 1974 in the Protection of Privacy Act: that the individual has a right to privacy in respect of his private and lawful communications with others. That was a fundamental provision of the earlier bill and remains a fundamental provision. Consistent with that principle, parliament prohibited absolutely any unauthorized interception of a private communication by anyone. It also established a rigorous procedure by which the police could, with judicial permission, conduct electronic surveillance for justifiable law enforcement purposes.

The real safeguards provided by parliament were the judicial scrutiny of police requests for authorizations, the criminal sanctions of five years imprisonment for unauthorized interceptions, and the civil recourses including those against the Crown. This was new legislation at that time, breaking new ground. It was stated by the government in 1974 that the effectiveness of the legislation would be closely monitored and, indeed, the legislation provided for such monitoring and reporting.

We have reports from the Solicitor General and from the provincial attorneys general, as well as a comprehensive report prepared in 1975 representing the views of the provincial attorneys general, major police forces and telephone companies as well as members of the federal Department of Justice and the Department of the Solicitor General. It is clearly evident from these reports that there are several provisions in the 1974 legislation that are seriously hampering the police and prosecutors in effective detection and prosecution of major criminal activities. I would be remiss in my obligations as Attorney General of Canada if I did not put these concerns before this House.

If we are truly determined to combat crime in an effective manner, our responsible law enforcement authorities must be provided with the proper means to accomplish that task. It was not, in my view, parliament's intention in 1974 to frustrate or impede the ability of the authorities to uncover and to prosecute crimes. Nor is it now the govern-

ment's intention in the proposed amendments to sweep aside, as some would suggest, the protection of private conversations or the safeguards for ensuring them. None of the amendments does that. The criminal sanctions remain. The civil recourses remain. Most important, the judicial supervision of authorizations remains. To obtain an authorization, the police must bring before a judge concrete evidence supported by affidavits showing that there is ample reason to believe an offence has been or is about to be committed. The judge must be satisfied that an authorization would be in the best interests of justice and that no other means of investigation is practicable. This is no simple procedure, Mr. Speaker.

Those who criticize our proposals as ones that will sanction the misuse of electronic surveillance are, I think, ignoring the reality of these safeguards. They would appear to be showing lack of faith in the integrity of our police forces and to be raising doubts about the ability of our judges to examine the merits of a request for an authorization. I do not share this doubt or lack of faith. Consequently, I do not fear that repeal of the notification provision or the change respecting the admissibility of derivative evidence will open the floodgates of illegal wiretapping.

On the other hand, I am satisfied that the existing law on these two points may well be impeding and will continue to impede effective police investigation of criminal activities, especially those of an organized and sophisticated nature. It is equally allowing known criminals to elude justice despite the weight of the evidence.

On the question of notification, the present rule requiring written notice to be given within 90 days after the surveillance of a person has terminated seriously inhibits the use of electronic surveillance, especially of organized crime. The notice alerts the target before the complex investigation can be successfully completed. I would note, for hon. members, that electronic surveillance is the only technique of criminal investigation in which there is a requirement for the authorities to advise a suspect that he is under investigation.

With respect to the derivative evidence rule, it is resulting in serious and unjustified delays in criminal trials. It is also allowing known criminals to elude conviction by having real evidence of a crime, derived as a result of an invalid authorization, excluded from the trial. There is some justification for excluding an illegally intercepted communication itself. I can see none for the exclusion of real evidence derived from such an interception where such evidence is both relevant and persuasive as to the commission of an offence.

The "fruit of the poisoned tree" doctrine of United States jurisprudence is not part of the common law of Canada, and is criticized even in that country. I think the present provision in the privacy legislation which incorporates it should be removed. As Wigmore, the great American authority on evidence, has noted, the exclusionary rule makes justice inefficient and coddles criminals by serving neither to protect potential victims nor to punish the offending officer. Rather, it punishes society by the release of criminals in our midst.

Mr. Fairweather: Oh, oh!

Mr. Basford: I am just quoting Wigmore, Mr. Speaker.

Mr. Fairweather: What about the Law Reform Commission?

Mr. Basford: The Law Reform Commission did not, in its model, comment on evidence. The rules are in the present privacy act, Mr. Speaker.

Mr. Fairweather: You have repudiated it.

Mr. Basford: It is to overcome these kinds of problems that we are proposing several important amendments to the privacy legislation. These amendments, I should note in conclusion, have received the full support of the provincial attorneys general, not all of whom, hon. members will be aware, are members of my political persuasion.

● (1540)

The proposed amendments to the protection of privacy legislation will go some distance to assist the police in their ordinary investigation of criminal activities. However, the work and results of the Quebec Organized Crime Commission have demonstrated the importance of and the need for investigative machinery beyond the traditional operations of the police if we are successfully to uproot widespread organized crime in Canada.

First, such crime networks can and do extend their tentacles beyond a particular province. Second, potential witnesses to such criminal activities are most reluctant to co-operate with the authorities on the usual voluntary basis because they live in terror of the consequences of such co-operation. Third, as the Quebec Organized Crime Commission has shown, or as reading of the law enforcement reports of British Columbia will show, there is real value in developing an increased public awareness of the existence and insidious nature of organized crime. The public spotlight is frequently the weapon most feared by crime bosses.

Last year, as hon. members know, the legal validity of the Quebec Organized Crime Commission was challenged in the courts, it being argued that such bodies may be legally established only under federal criminal law. This question is still before the Supreme Court of Canada. Beyond this, it was demonstrated during hearings of the Quebec commission that it is essential for any such commission to have power to reach witnesses and documents in other provinces. Finally, if this special machinery is to be established, it is imperative to ensure that it operates in a manner that secures real and uniform legal safeguards for the rights of persons being questioned or investigated.

For these reasons, the bill includes amendments to the Criminal Code to authorize a province to establish a special crime inquiry commission as necessary, with both effective powers and proper legal safeguards. It provides for common powers and safeguards throughout the country. The legislation also is flexible in leaving to each provincial attorney general the ability to determine the particular approach to take in investigating criminal activities with a formal, full-scale inquiry or with a less formal examination of the matters. Both these measures, I am satisfied, are consonant with the four principles that I outlined at the outset of this speech.

Measures Against Crime

Turning to another aspect of Bill C-83, the government shares the public's very proper concern for greater protection against offenders who perpetrate acts of serious personal violence. This bill contains provisions to enable the courts to order an indeterminate separation from society for criminals whose propensity to violent conduct constitutes a serious and continuing physical threat to other people. Both the report of the Canadian Committee on Corrections, the Ouimet report of 1969, and the Senate report "Parole in Canada", the Goldenberg report of 1974, recommended that the habitual criminal and dangerous sexual offender provisions of the Criminal Code be replaced by new "dangerous offender" legislation.

The Ouimet report criticized the habitual offender provisions on the grounds that almost 40 per cent of those sentenced to preventive detention had never been convicted of a serious offence against the person. The provisions had been applied to a substantial number of persistent offenders who were perhaps a "grave social nuisance" but who did not constitute a serious threat to personal safety. Those offenders who indeed were dangerous were often excluded from the application of the legislation because of the requirement of three previous convictions for serious indictable offences. The same report also noted that a dangerous sexual offender is only one class of dangerous offender, and concluded that it would be preferable to enact legislation that would encompass dangerous offenders generally. In this way, account would be taken of the violent nature of the crime and not simply its statutory classification.

The provisions of Bill C-83 mirror the remarks of those who reported. This bill, therefore, makes provision whereby a person who is convicted of what is defined as "a serious personal injury offence"—a crime of personal violence carrying a sentence of ten years or more, and including certain sexual offences—may, under appropriate circumstances, be found by the court to be a "dangerous offender" and consequently subject to an indefinite sentence of incarceration. Because of the gravity of this type of sentencing mechanism, the government has been careful to surround the provisions with a number of safeguards for the offender.

The application for a sentence of indeterminate detention may be made by the crown attorney only with the consent of the provincial attorney general. The offender can call any relevant evidence, including that of a psychiatrist, psychologist or criminologist. The court may seek additional evidence by remanding the offender for medical observation for a limited period. The indeterminate sentence must be reviewed within three years of the sentence, and every two years thereafter, by the National Parole Board.

These safeguards reflect my concern to strike the kind of balance I referred to earlier in my remarks. They weigh the protection that must be provided to law-abiding citizens against the protection of the rights of even the most dangerous among us. In addition to these safeguards, the Solicitor General has indicated our concern for developing more adequate treatment facilities in which to place persons found to be dangerous offenders.

I am satisfied that indeterminate sentencing should no longer be used against criminals who do not pose a continuing and serious threat to the life, safety and well-being of others. This type of sentencing, however, is a necessary mechanism to protect society against dangerous criminals where it is virtually impossible, at the point of sentencing, for a judge to determine the appropriate length of sentence to be imposed. The advantage of the indeterminate sentence lies in the fact that it postpones the decision on a proper release date to the point where the authorities can more accurately judge the readiness of the dangerous offender to resume a normal life in the community without constituting a continuing threat to others' safety and well-being.

One of the most serious concerns people have about threats to their personal security relates to the number of persons accused of violent crimes or imprisoned for such offences who a short time afterwards are out on the streets and often committing further crimes. To this concern the government is responding now. Bill C-71, which has already been passed by this House, contains provisions which, until they have been proven guilty, make it more difficult for certain types of accused persons to obtain release on bail pending trial.

In addition, the Solicitor General has announced a series of administrative measures respecting the containment of prisoners who constitute a continuing threat to society and the supervision of inmates released during their sentence. For example, he has indicated prison construction measures that involve phasing out some institutions and replacing them with smaller facilities better suited to controlling specific groups of inmates. These will be particularly important in ensuring proper custody for long-term inmates. Regional custodial centres will be constructed both for secure custody and for the treatment of offenders. As another example, in the case of offenders convicted of offences involving violence who have a history of violent behaviour, they will now not be eligible for parole consideration until they have served one-half of their sentence, or seven years, whichever is the lesser. At present, they are eligible after one-third of the sentence is served.

On the legislative side, Bill C-83 increases the penalty for escape or attempted escape from prison from five to ten years. It also repeals the right to statutory remission of sentence, thus eliminating any automatic shortening of the time an inmate must serve in prison. Instead, inmates must earn all remission. The fact that all remission must be earned, that none will be automatic, that it will be subject to forfeiture for misconduct and cannot be restored, will place a greater onus on the inmate to earn, by good behaviour and participation in prison programs, the earliest release date possible. This should promote better conditions within institutions.

● (1550)

The National Parole Board will be increased from 19 members to 26, and provision is made for the establishment of provincial boards of parole for those provinces which wish to do so. This will allow for fuller consideration of each case in the parole decision-making process and make the system generally more effective. With respect to temporary absences without escort, the period to be served before such privilege may be granted will be lengthened and the authority to grant leave will be transferred from the penitentiary officials to the Parole Board.

These measures will, we believe, go a considerable way toward ensuring that those inmates whose presence in the community constitutes a threat to citizens' security will in future be more securely confined. Release will occur only at such time and in such circumstances as best serve the need for protection of the community.

In conclusion, I have attempted to outline in a rather general way the policies, and the principal measures designed to implement them, provided for in Bill C-83 and to explain how I believe they represent a measured and reasoned approach to dealing with a number of basic problems apparent in our criminal justice system. In the ensuing debate and committee consideration many differing views and proposals will be advanced on the measures. I would like to assure hon. members—I think they know me well enough to know, from my record in the House, that such is true—that I will be, of course, open to all constructive criticism and proposals for further improvements both from them and from members of the public.

I would only like to add that the formulation and implementation of criminal justice policies is very much an ongoing process and is continuous, and the measures set forth in this legislation reflect but one part of the continuum. It is also a process that to be fully effective requires close and continuing consultation and collaboration with the provinces and their attorneys general. On the present measures there has been, and will continue to be, such co-operation and this will, of course, continue to be my policy in future initiatives.

There are many things yet to be done to bring about further improvements in the policies and the system. Evidence of this exists, among other places, in the many proposals for reform that are emanating from the Law Reform Commission. We have now received from the commission its first two final reports, one on the laws of evidence and the other on principles of sentencing, and look forward to a number of others in the months ahead. I will shortly be discussing with the provincial attorneys general the problems of the present pretrial procedures in criminal cases and have requested the Law Reform Commission to bring forth proposals for consideration of this matter on a priority basis.

We are now examining closely their reports on a code of evidence and on disposition and sentencing with a view to reaching early decisions, after consultations with the provincial ministers, on which of their recommendations can be incorporated, at the federal level, readily into our criminal justice policies to improve the quality and operation of the criminal justice system. Some of the recommendations in the report on sentencing are aimed at the most basic considerations of all: how to resolve conflicts without resort to the criminal justice system; how to prevent people getting enmeshed in the system in the first place or, once involved, how the system can be used in a restorative and reparative way.

I am also particularly concerned about the system as it relates to our native population. My department is developing a number of projects and measures, in concert with the provinces, designed to adapt the system to their particular needs and concerns. In these and other initiatives my goal will be to foster a criminal justice system that will best serve the interests and merit the respect of all the people of Canada, and I invite parliament's careful examination of this objective and of these proposals.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, first I wish to congratulate the minister on making an excellent case out of such a bad bill.

Some hon. Members: Hear, hear!

Mr. Woolliams: Now I would like to file a caveat and a notice to you, Mr. Speaker, that at the end of my address I will move a motion, which I have studied very carefully and for the preparation of which I managed to obtain the best experts I could on the subject, knowing full well the difficulty of moving any amendment on second reading. Before I start my address I wish to bring to Your Honour's attention that the bill which we are now debating, Bill C-83, contains 73 pages, 39 of which deal with one matter, namely, gun control. There are five distinct changes in the law in this bill, but only one brings in a substantive new law on gun control. In other words, 39 pages out of 73 deal with the new law on gun control and the other sections, on which I will speak in a few moments, are merely amendments to the existing law. Because of that, I hope that when I complete my remarks the minister will agree with the motion which I will put forward.

In a bill of this nature the minister has brought in an extensive change to the law on gun control, a new law contained in 39 pages deliberately mixed with other amendments. This was done deliberately. You are damned if you do, and damned if you do not, and that is the reason the bill was drawn up in this fashion. I serve notice that I will move a motion that the bill be not read a second time because of the mixture of a brand new law and amendments which are merely a patchwork and which should be separated from the new law. We should have a separate debate on gun control and another one on the patchwork of amendments to the Criminal Code. This would give an opportunity to every member in the House, wherever he sits, to express himself on his will and his conscience—

Some hon. Members: Hear, hear!

Mr. Woolliams: —and, above all, on the conscience of the people of this country who are very concerned about this problem. As one newspaper man put it to me today, it is a big bundle in a big chunk, and most of that chunk deals with gun control.

An hon. Member: Some journalist.

Mr. Woolliams: He might be a favourite of yours, so be careful. He wrote a pretty good article about you recently. I believe that this bill should be severed. In my comments I will show why it should be severed, why gun control should be separate from amendments on dangerous offenders, from amendments on wiretapping and provisions for a special inquiry, giving provinces certain jurisdiction, and from changes in the Parole Act.

● (1600)

My first words on this subject are to clear up immediately the misunderstanding which has crept across the nation, and even into the media, that the debate today will include a discussion on amendments and new laws to be added to

the Criminal Code, namely, gun control, dangerous offenders, amendments giving the police full powers under the wiretap legislation—I will deal with that matter when I get to that point in my address—the assurance that the provinces will have the jurisdiction and power to conduct special crime inquiries, even though this government challenged the right of the provinces, and the Supreme Court of Canada, particularly Quebec to hold its crime inquiry, changes in the Parole Board, reversing the wrongful changes made by the Trudeau administration usurping—I want to emphasize this—parliament in regard to parole which was established by the Diefenbaker government. He was a man who had great compassion, an understanding of the criminal law and of the civil rights of people in this nation. This government has done more to usurp a good rehabilitation program in eight years than anything in my imagination.

Some hon. Members: Hear, hear!

Mr. Woolliams: Along with these five things there has been deception across the land, through the media. The deception across the land, through the media, is that today hon. members on the other side of the House as well as on this side would be debating not only this bill on the amendments to the code but the question of abolition of the death penalty for capital murder or treason. This debate concerns the amendments, and certainly not abolition. I was glad to hear the Minister of Justice (Mr. Basford) say that. The Minister of Justice emphasized that because they have endeavoured to sell this package to the Canadian people on peace and security when the media, members of this House and people across the land believed they were having one package, one debate with five amendments to the code including the question of abolition of capital punishment. The government is using this bill to assure the people that it stands for peace and security, and now it uses the words "law and order" and therefore it can take a different attitude as to murder.

It is really an astute, premeditated and planned attempt on the part of this government, the Minister of Justice and the Solicitor General (Mr. Allmand) to try to give the impression that the bill, entitled "an act for the better protection of Canadian society against perpetrators of violence and other crime", Bill C-83, and the abolition Bill, Bill C-84, and the calling of both bills together peace and security legislation, that by this method the people would believe there would be one debate, one bill to deal with the increase of violence and murder in our nation, and to give the impression that they have the answers and that they have always stood for excellence in the administration of justice and have the safety and protection of law-abiding citizens as their first priority. The facts, of course, will bear me out when I say that the contrary is true. The history of this government in this field illustrates that. Lest we forget, let me remind this parliament and the people of this government's previous failure to protect innocent women and children and law-abiding people of this country.

To say the least, it has been a brilliant attempt on the part of the Minister of Justice and the government—or, better, a brilliant sinister attempt—to leave the impression with the public that this government has tried to do something about crime in the past. I will deal with other statistics when I get to that point in my speech, but in 1974 there were 258 murders where convictions were obtained; in 1975 there were 312. The murder rate was up 18.8 per cent. Breaking and entering went up 11.3 per cent, kidnapping went up 40.7 per cent, and robbery went up 70.9 per cent.

The gun control legislation in Bill C-83 which is now being debated is a legalistic—I say this with the greatest respect to the minister—and political poultice to be used to soothe the feelings of government members who are under pressure from their constituents because the government is doing nothing to half the ever-increasing trend in murder and violence in this country. The linking of gun control and new penalties for murder and other amendments under the name of peace and security was done solely to get support for both bills from the government's restless backbenchers, who are not only restless about this matter and this kind of policy but are also restless about other policies such as those for *Time* and *Reader's Digest* and about what the Prime Minister (Mr. Trudeau) has been saying in the province of Quebec.

Some hon. Members: Oh, oh!

Mr. Woolliams: We on this side of the House gave the minister a fine hearing. I hope even though hon. members opposite disagree with me, they will give me the courtesy given to the minister by me and other hon. members on this side of the House. That is why the bill was left, as the newspaperman said, in one chunk. The way the Minister of Justice and the Solicitor General have been peddling their propaganda that we would be considering both bills together reminded me of the history of the 1930s, when Ramsay MacDonald, prime minister of Britain, peddled peace and disarmament throughout Europe to the allied nations while the enemy rearmed. This mistake nearly cost us our democratic way of life and it cost the world thousands of lives and much human suffering.

Likewise, this government gave the impression for eight long years that it would be easy with violent criminals. What a mistake. Rehabilitation, yes. But, surely, the release of dangerous criminals and offenders, no. I have only to remind the House, during this period of increasing violence and murder, of children's deaths, women's deaths, rapes, police harassment and the untold suffering which has taken place. I am not saying for one moment that the government is totally to blame, but it must share part of it.

Some hon. Members: Hear, hear!

Mr. Woolliams: The selling job of the two ministers has been so effective that even "The Waltons" might have believed the government is crime-busting and that gun control is the answer. In this regard it sounds like "Have Gun, will Travel" or "Batman" having driven the bad men underground. I have seen and heard the two ministers, "The Odd Couple," on "Canada A.M." on CTV, on "The Fifth Estate" on CBC, on "W-5" on CTV, and on "This Day" on CBC, pouring out their propaganda and telling the people of Canada that the two bills are one package called peace and security, so that it is believed we are now debating the whole ball of wax.

The rules do not permit me to say it was a deliberate attempt to deceive the public. They might not allow me to

go that far. But the rules do permit me to say that deception is taking place in this nation. These ministers have been on every program. They have been selling, endeavouring to persuade people, and to ingratiate themselves and their program, that murder, violence, rape and assault will be under control and that all parliament has to do is bring in gun control. I have not watched all the programs—

An hon. Member: You are lucky.

Mr. Woolliams: —and I do not know for sure whether they appeared with Carol Burnett or if they intervened on "Sesame Street," but they certainly could have been on Rich Little's show, and at least they tried to be the Six Million Dollar Men who never make mistakes. All this has been going on while prisoners have been escaping, and the correctional officers have been frustrated. Some of them have been held as hostages while prisoners escaped, to the extent that anyone might have thought he had tuned in to "Hogan's Heroes". Bill C-83 is really a legal poultice.

An hon. Member: Who wrote your speech?

Mr. Woolliams: Someone asked who wrote my speech? I might say right now that for good or for bad, I write my own speeches.

Some hon. Members: Hear, hear!

Mr. Woolliams: If hon. members want corroboration of that, they can call my office and talk to Bonnie or Carol, my secretaries, and they will tell you how late they worked on Sunday. I have no $100,000 researchers.

Bill C-83 is a legal poultice and will do little to counteract the statistics on crime, and crime itself. What is the cause of crime?

An hon. Member: Criminals.

Mr. Woolliams: Yes, I was about to answer. I will tell the House some of the causes underlying crime. The government has whittled away at laws which gave judges and courts power to restrain violent criminals. I am referring to easy bail regulations. The government permitted indiscreet day passes for violent and dangerous criminals and murderers. I have nothing against day passes provided there is an assurance of proper protection. Further, the government failed to implement programs of rehabilitation in penitentiaries, and failed to recognize that the destruction of the morale of correctional officers would make escape easy. Apart from these factors, if one can ignore them, one could say that the cause of crime is a social problem.

● (1610)

Indeed, the causes of crime are rooted in society. How many times have we heard the Solicitor General referring to statistics without foundation? This is his wishy-washy program. Really, it is the Prime Minister's. The minister is implementing it, like a puppet, without uttering a word of disapproval or showing any sign of wilful disobedience. The minister alleges that violence is on the decrease. He and I were on the television together not long ago. He looked in the camera, with that honest look of his, and said, "There is no evidence murder is on the increase." I went to his department and got the figures.

Mr. Allmand: I never said that.

Mr. Woolliams: I will get the tape and the minister can hear it in my office. In 1961 there were 185 reported murders; in 1962, 217; in 1963, 315; in 1964, 218. The murder figures go up, like inflation. In 1971 the reported murders increased to 426; in 1972 there were 479; in 1973, 474; and in 1974, 545. That is this government's record of controlling violence and murder.

Some hon. Members: Shame!

Mr. Woolliams: Go back over the newspaper columns of the past five years and you will find page after page of propaganda—at which this government is very good—telling the people of this country that violent crime is on the decrease. The government put out that propaganda. But something happened despite all the propaganda put out by the government opposite, a government never before equalled in ability to produce propaganda. The Canadian people turned against the government's unworkable, jelly-like policies. Incidents of hijacking, kidnapping, murder, violence, rape and assault piled up day after day until the government had to produce a remedy to retain its position even if it lost its credibility. In their administration of justice they failed to solve the problem of crime, just as in the economy they failed to control inflation. I ask again, what is the cause of crime? I have shown the government's contribution. I suggest that the real cause is the government's economic policies, coupled with the problems our nation faces together with other nations.

As I have said on other occasions that the notion that crime can be ascribed to a single category of causes is erroneous. Violent crimes create a climate of fear in the streets of our growing cities. White-collar crime, in economic terms, is much less visible than violent crime, yet the material costs of crimes such as petty theft, consumer fraud, violations of the combines act, and embezzlement dwarf the economic cost of all crimes of violence. In order to control violent and white-collar crimes we must have laws that are practical and acceptable in the light of modern, new interpretations of life and human behaviour. As I said before, our laws must be practical and do the job they were designed to do. They must not be aimed at ordinary law-abiding citizens of this country. They must be aimed at those who ignore our laws and wilfully would ignore gun licence provisions. That is why I hoped that the minister, in amending the code, would do a good job and not merely scratch the surface.

The need for proper laws and proper law enforcement cannot be underestimated in the control of crime. I have felt for years that we must get at the breeding grounds of crime. Mr. Speaker, crime breeds in the cesspools of injustice and poverty in our urban slums, in fast-growing cities.

Some hon. Members: Hear, hear!

Mr. Woolliams: And what is the government doing? Today we hear that the Bank of Canada is to increase the interest rate. How can people borrow money to buy homes? Urban poverty makes people who dwell in the slums the

victims, not the masters of their environment. The bad environment becomes the heritage of the next generation. In order to launch a major assault on crime we must attack the despair and denial of human opportunity which makes crime grow. I know that crime also thrives under conditions of affluence. White-collar, economic crime is eroding our system of society and promoting more controls and less freedom. That is why I felt the government ought to introduce separately the gun control law and the other provisions. We should discuss them separately and vote on them separately.

In brief, the police, our courts and prisons cannot long control crime. We must deal with the underlying causes of crime, the immense and stubborn forces pervading our environment, measuring our character and determining the quality of our lives. With long-range efforts in a new land of bountiful resources we can conquer poverty, ignorance, disease, discrimination, family breakdown, injustice, social tension and despair. While we must strive to uproot the causes of crime, we must put our practical minds to work to amend the various sections of the Criminal Code and guarantee that the law is respected, not shaped and planned to protect the rich and create injustice for the poor.

The law will only be respected as long as our judges are respected. It is absolutely intolerable that ministers of the Crown should interfere with the courts. What happened recently is without precedent. A minister admitted that he talked to a judge concerning another minister who had been found guilty of contempt of court. At least I can say one thing about the Minister of Public Works (Mr. Drury). He is honest. He stated the case. Others hid behind various precedents as though pleading the American fifth amendment. The Minister of Public Works, in answer to a question I raised, said in part, as reported on page 11457 of *Hansard*:

> If it were not for the fact that I consider the associate chief justice of Quebec, whom I have known for a number of years, to be uninfluencible, in a pejorative sense, I would have refrained from intervening or from having any conversation with him.

In other words, he talked to the judge because he knew he could not influence him; he knew he could not interfere with his decision.

Mr. Blais: Mr. Speaker, I rise on a point of order. I should like the Chair to indicate to the hon. gentleman that the topic he has dealt with in the last minute and a half has nothing to do with the bill before the House.

An hon. Member: That is not a point of order.

Mr. Woolliams: Mr. Speaker, we know why the Liberals understand gun control. When they are wounded verbally, they cry.

An hon. Member: Who wrote that phrase, Eldon?

Mr. Woolliams: The Minister of Public Works went on to say:

> Indeed, the only intervention that would be contemplated by me would be one to see that he was in full knowledge of the facts and did his duty—

I will let the matter rest. There cannot be peace and security in this nation if our courts are not respected.

[Mr. Woolliams.]

Crime is a national problem according to our constitution, while law enforcement is a provincial and local responsibility. Parliament must direct its processes so as to ensure criminal justice. We must bring excellence to every aspect of the administration of criminal justice—to corrections, to courts, to law enactment in every jurisdiction of Canada. The law must be reformed, or repealed. If enforcement is impossible and law enforcement permits laws to be broken like dishes because the majority of people find them unjust and no one wants to obey them, they must be repealed. I will in a few moments be showing the anomalies in respect of gun control so that hon. members will understand the background of what I am building up to at this moment.

● (1620)

Surely this is the purpose of many of these code amendments. The law will be obeyed only when it is respected. The law will be obeyed only when it is just. The law will be obeyed when those in high office respect and carefully guard our traditions and constitution, the dignity the law demands and the dignity which we expect from the judiciary, the executive, parliament and the administration of justice. Nothing short of that standard is acceptable to this side of the House. We will have a free vote in my party on capital punishment. We demand the fullest examination by a standing committee on all of these matters. In my motion we will demand that the question of gun control—which is brand new law, not an amendment to the code—be severed from the bill so that both these matters can be discussed in an intelligent and able manner.

What about the gun control legislation? Let us have an examination of it. Apart from the argument as to whether gun control will stop the massive increase in crime, what are some of the farcical anomalies contained in the clauses of Bill C-83? The government has never taken the trouble, even with all its studies on gun control, to determine the cost of administering it, the number of bureaucrats it will take to licence all the guns in Canada, to issue permits for restricted weapons, as well as the certificates, licensing and other documentation in order to obtain ammunition. They never thought of looking into that. When I asked the Solicitor General questions about this, he said they have a big study going on with regard to gun control and are looking into this question. In these days of anti-inflation, one would have thought they would have considered the cost as well as the number of bureaucrats it will take, in addition to looking into the effect this will have on the law-abiding citizens of this country.

We should be able to determine the number of people needed to administer the legislation, such as issuing licences for all guns, issuing permits for restricted guns, issuing certificates, etc., and to administer control of the sale and use of guns, together with the same for ammunition. I put these questions to the Minister of Justice:

> Mr. Speaker, I should like to direct a question to the Minister of Justice, the answer of which may assist us in the second reading debate on the peace and security bill. As sportsmen of Canada assess that about six million guns will be affected by the legislation, has the minister assessed how many public servants, including police officers, will be needed to issue permits for restricted guns and licences for all guns, and what the cost in this regard will be to the Canadian public?

I have hundreds of letters from my constituency and all across Canada asking me that question. What was the answer? I quote:

Mr. Speaker, there has been a careful analysis, but it is impossible to say what the result will be and how many people will be involved because this will depend to some extent on special arrangements made in each province.

Let me pause during my reading of this quotation. Will the provinces have to take this financial load in the same way as they did with the health program of this country?

Naturally, we hope to keep the administrative and licensing staff to a minimum—

That is easy to say, but what is the minimum?

—but, at the same time, make licensing personnel available in communities throughout Canada so that there will not be difficulty in obtaining licences. I anticipate that we shall use provincial and federal police forces—

By the way, the police forces do not want this obligation and responsibility. I asked further about the staff. I will not read all the answer. However, I was told that the government does not know how large a staff is needed or what the cost will be. That is something they did not consider. We know that if the government needs more money it will tax the Canadian taxpayer to death.

An hon. Member: Oh, oh!

Mr. Woolliams: I hear a laugh. I wonder if the hon. member's constituents would laugh. Do you think they would laugh, Mr. Speaker? There are many anomalies in this guns control legislation. If I mentioned them all it would take longer than a speech in the United States Congress during a filibuster. Let us examine the definition of "ammunition." It's a humdinger. It is defined as follows:

Ammunition means ammunition for a firearm and includes any component, element or part such as a bullet, pellet, cartridge case, primer or propellant powder that is primarily useful as a component, element or part of ammunition.

That really means that ammunition is ammunition in whole. It is a shotgun shell, the powder, the pellet-casing and the cartridge. If it is a rifle bullet, it is the whole casing. It is the bullet, the powder and everything or any part thereof. What does the definition clause mean? Does this mean, when you read the clauses of the bill keeping in mind the definition, that if hunters find empty cartridges on the ground expelled from a shotgun, the finder has an obligation, as a finder of a component of ammunition, to turn in the empty cartridge to the police? If he should put it in his pocket absent-mindedly, and on the way home be stopped by the police, it is found as part and parcel of ammunition which is not his licensed ammunition, and he is guilty of an offence. He could be fined or sent to jail.

Let us take a second example. Clause 106.3 (11) on page 28 of the bill states that farmboys who go gopher hunting—they all do that on the prairies and, I assume, in other rural areas of Canada—with a 22 rifle to protect their fathers' grain crops will be classified as game hunters. In another clause it states that young people under 18 are only permitted to use guns if the families need the game as part of their living. Who eats gophers? What a farce.

Third, let us examine clause 106.5 on page 33 of the bill, which provides that everyone who, without lawful excuse, fails to obtain a licence or fails to get a registration certificate or permit, as the case may be, shall be liable to be charged with an indictable offence. If convicted, such a person would be liable—I believe this is the maximum—to two years' imprisonment, a fine or, as an alternative, guilty on summary conviction and fined. In this regard, the law is an ass. It will not be obeyed. If the law is not just, practical and workable, it will not be obeyed. That is one more reason these clauses regarding gun control should be severed from the other amendments.

Are law-abiding citizens to be put in jail because guns have been outlawed, except if they prescribe to the rules and regulations of this government? It will be the law-abiding citizens who will be subject to jail and fines, while the criminals will break the gun law as easily and as quickly as they commit violence, rape, robbery and murder. This is the reason gun control in this bill should be severed from wiretapping and other parts of the bill. Members of parliament should be able to disapprove, approve, and certainly improve gun control legislation as laid down by the government, without being controlled by the other terms of the bill. I might say you are damned if you do, and damned if you don't. Of course, that is the reason the government put it this way. It is enough to make the "Dynamic Duo" turn in their tights in disgust and mutter in the imaginative words of Boy Wonder, "Holy poultice policy, Batman, the Trudeau government is at it again."

• (1630)

In summary, may I say that the provisions for licensing, through federal government machinery, of rifles and shotguns may accomplish little more than a build-up of bureaucratic activity. The number of extra officials needed cannot be estimated by me and is ignored by the government. What will the cost amount to? What are the alternatives to this legislation? What are the suggestions which have been made? Perhaps better results could be obtained by using machinery already in existence by way of hunters' safety courses and courses conducted by recognized gun clubs. I should like to see the committee investigate this aspect. We might be looking toward the expansion of facilities which already exist. Tests in competence of handling handguns could easily be conducted by gun clubs as they are today in connection with hunters' safety courses.

The bill has repealed, without comment, section 101(b), previously the saving clause for youths who wanted to use guns under parental guidance for hunting or associated activities. Clause 106 leaves the way open for future restriction by way of government regulations. We have been giving no indication of what might eventually come out of those regulations. Too much power is being left to the governor in council. Another question is, what will be the cost of all this? Will a licence fee of $10 be charged to everyone who owns a gun? Are the law-abiding citizens of this land the ones who will have to pay the shot? Will only those who are not law-abiding get away free? I saw a sign the other day, "When guns are outlawed, only outlaws will have guns." Not bad. That was sent to me in the mail.

Now I want to turn to another subject the Minister of Justice mentioned—special crime inquiries in the provinces. I believe this is a good step in the right direction. Every province will be able to hold inquiries with respect to crime within its borders, and those tribunals will have the power to subpoena witnesses. But it is my comprehen-

sion that when Quebec was doing such a good job in investigating criminal activity within its borders, the Minister of Justice challenged its right to do so. He brought a case before the Supreme Court of Canada, judgment with respect to which has so far not been written. But for the Quebec inquiry we would not have known of the millions of dollars of meat which was sold, cut and carved from carcasses of animals which had died of disease and disposed of as hamburger, flavoured with onions by way of deception.

What we saw there was an attempt to destroy not only the moral fibre but the physical welfare of the Canadian people. The Quebec Crime Commission is to be congratulated on its work in this area. I suppose all that fraud was carried out by criminals under the reasoning that if they couldn't get at the people's morals they would get at their stomachs and pocketbooks through their appetites.

Now I turn to the subject of wiretapping and to the changes in the wiretapping legislation. I listened very carefully and made notes of what the minister said. He did not think the changes would erode civil rights. I realize that the detection of crime is very important, but surely members in all quarters of the House must weigh very carefully the proper balance between crime detection and civil rights. This is the reason distinguished members of parliament such as my right hon. friend from Prince Albert (Mr. Diefenbaker), one of the best legal minds in the House, and my hon. friend from Fundy-Royal (Mr. Fairweather), have insisted that 90 days after an electronic device—for example, a telephone—has been wiretapped, the person so affected must be notified that this was the case.

This section is now to be repealed. I understand the reasons: police officers in the detection of crime must not be hindered in their ability to possess and use equipment equivalent to that possessed by sophisticated, wealthy criminals. Yet on the other hand there is the aspect of civil liberties to be considered. If there is any interference with crime detection arising from the provision for notice, the time can surely be extended or abridged by a judge of a superior court to give the police the authority and protection they need. That is our recommendation, Mr. Speaker, while at the same time preventing the wrongful tapping, without their knowledge, of telephones used by law-abiding citizens.

Mr. Speaker, since I came to parliament I have defended the administration of justice and the actions of police officers in every category where they have acted judiciously and properly in the course of the administration of justice. Yet on the other hand, as an experienced trial lawyer may I remind hon. members—those who are lawyers will hardly need to be reminded—that I am well aware that this kind of power, placed in the wrong hands at the wrong time by the wrong people, can lead to the erosion of civil rights. Certainly, I have great respect for the RCMP. I have great respect for police officers who administer the law. But when you give so much power to people who want that kind of power, you can damage civil rights. That is why one has to build in a mechanism to protect civil rights, weighing it against the need for crime detection. Is that too much to ask, Mr. Speaker? I would think not.

[Mr. Woolliams.]

What about the clauses the Minister of Justice has dealt with in relation to dangerous offenders? I turn to the legislation covering dangerous offenders. The name of the offence is changed or, putting it in another way, the power of a judge to give an indeterminate sentence to accused persons who continue to use or attempt to use violent conduct endangering, or likely to endanger, the life or safety of another person or inflicting, or likely to inflict, severe psychological damage on another person, has been given a new name. The name of the offence has been changed; that is all. I agree that the phrase "habitual criminal" was not very good. I like the new description. But it is not something which is going to change the whole ball of wax in the control of crime.

I agree that a person might get drunk every weekend and end up in jail every weekend, which might point to habitual conduct on his part, but he would certainly not be an habitual criminal. No judge, as I read the authorities, has ever used the section in that manner. Changing the name does not strengthen the law. What does the change do to control crime? This is another example of an attempt by the government to place mock law and mock courts on a level with reality.

Last, but not least, we must consider the changing of the rules governing parole. Since 1968, when the just society was promised to the Canadian people, the pages of criminal history as exposed by the media are full of cases showing that day passes have been given indiscreetly and indiscriminately to violent criminals, to dangerous offenders who have returned to the streets of our cities, ravaging and threatening society, murdering and plundering, robbing and killing. I do not need to mention the Head case, a man serving his sentence having been found guilty of raping five different girls under the age of nine. He was released, without any provision of supervision, by the Department of the Solicitor General; not when the present minister was Solicitor General, though. But the policy never changed; just the personnel. What did this prisoner do? He murdered one of the warden's daughters.

Mr. Speaker, we on this side of the House stand for rehabilitation. We believe the conditions under which people are incarcerated for certain offences in this country are deplorable. On the other hand, when there are dangerous criminals, and when they are known to be dangerous, when they are habitual offenders, great care should surely be taken to segregate them from society, to use the words of the Minister of Justice. I hope the hon. gentleman, as the new Minister of Justice, will follow that course.

The day of repentance is upon us, and what is the government doing? Membership of the Parole Board is to be increased to 26, making it regional in nature. The bill does much along lines I have recommended. The former solicitor general, now the Minister of Supply and Services (Mr. Goyer), in his wisdom and with the authority and consent of the government destroyed the parole system. He stated when he was minister—this was shown me by one of the officers who is now no longer in the service—that the first priority was rehabilitation, and the second was the protection of society. He got his priorities reversed. No wonder the policy went sour.

You know, Mr. Speaker, there is a weed on the prairies called tumbling mustard which rolls and spreads its seed

across the land. Every time it topples it changes its position, and every time it changes its position it sows different seeds. This symbolizes the government's policy in the last eight years. One can truly categorize this policy as the tumbling weed program of the Liberal party. We now demand, on behalf of parliament and the country, a full airing of this legislation in the committee; and we demand, above all, that the term of the bill be separated.

● (1640)

When I started my introductory remarks I said I proposed to amend the motion now before the House. I shall do so because this bill, in each of its several parts, confronts us with the keystone question of political science. That question is: Where does the lawmaker strike the balance of convenience between the rights of society and the rights of the private citizen? These state rights and private rights are as the two sides of one coin. No man is free under the law of the jungle. That being so, society exists to ensure that the private citizen, in surrendering the minimum of his freedoms, is free to enjoy the maximum remainder of his freedoms. It is equally true that no man is free in a society that requires of him no more than the minimum surrender of his freedoms; he can lose his freedoms when the lawmakers forget that society exists for man, not man for society.

For example, we lawmakers may be forgetful of this principle when the administrators of the laws we pass are inefficient, when they protest that they are inefficient only because they need more power over the private citizen for his own good. The private citizen is therefore required by us to surrender more of his freedom to these administrators. This leads full circle to a bureaucratic society where the freedoms of the private citizen are trapped fast in a jungle of red tape and autocratic decisions. Again, and briefly, Mr. Speaker, the freedoms of the private citizen can be unduly sacrificed to political expediency or overreaction to the so-called "public demand". Too often, public demand is the demand of minority pressure groups.

With particular reference to Bill C-83, it has been said that some of the tougher law and order provisions, which the government now calls peace and security provisions, have been inserted by the government to seduce unwilling converts among its backbenchers to vote freely on the side of the government for the abolition of capital punishment. Others would have it that these law and order provisions are an overkill reaction by the government to so-called public demand.

I have heard a third explanation, Mr. Speaker. Last Thursday, March 4, the government, on the motion of its leader there, referred the subject matter of this bill to the Senate Standing Committee on Legal and Constitutional Affairs. Such a reference to the other place has been generally reserved for the subject matter of bills dealing with income tax, corporation laws, and banks. In fact, the practice is known as the "Hayden gambit", after its innovator, the honourable chairman of the Senate banking, trade and commerce committee. The present reference appears to be a departure from banking to criminal law. I am assured, however, that the departure from practice is more apparent than real.

Last year, it is pointed out, was the most recessive year in Canada in the last 20 years. In that most recessive of years, bank profits rose 50 per cent. In that most bank profitable year, bank robberies rose accordingly. Therefore, this bill and the Senate reference are explained on the basis that the government foresees that so long as this government is in power the recession will increase, bank profits will increase and bank robberies will increase. The government has decided that something must be done about it. Bank robberies must be stopped, so the government has brought in gun control.

I do not necessarily subscribe to all these views, Mr. Speaker. After all, it must appear to the public that there have been a few breaches of law and order centred in these parliament buildings in recent times. But, seriously, I do endorse the method used by the other place. We should be permitted to have this bill go back to committee now, before second reading is completed, to enable the committee solely to study and report on the manner in which the bill itself has been drawn, a bill that puts 39 pages of new gun controls in our law, together with a patchwork of other amendments. With that in mind, Mr. Speaker, I move the following motion in all seriousness, and I believe I am in order:

That all the words after "that" be deleted and the following substituted therefor:

"Bill C-83 be not now read a second time but that the subject matter thereof be referred to the Standing Committee on Justice and Legal Affairs, for the purpose of considering a more proper legislative division thereof."

The motion is seconded by the hon. member for Prince Edward-Hastings (Mr. Hees). I appreciate that Your Honour may want to hear some comments on the motion I have moved.

The Acting Speaker (Mr. Turner): The Chair will take the amendment under advisement and allow the debate to continue.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment this evening are as follows: the hon. member for Medicine Hat (Mr. Hargrave)—Regional Economic Expansion; the hon. member for York-Simcoe (Mr. Stevens)—The Canadian Economy; the hon. member for Kingston and the Islands (Miss MacDonald)—External Affairs.

ROUTINE PROCEEDINGS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

FILING OF OBJECTION RESPECTING PROVINCE OF ONTARIO

The Acting Speaker (Mr. Turner): It is my duty to inform the House that an objection, signed by the hon. members for Norfolk-Haldimand (Mr. Knowles), Kootenay West (Mr. Brisco), Victoria-Haliburton (Mr. Scott), Perth-Wilmot (Mr. Jarvis), Oxford (Mr. Halliday), Elgin (Mr. Wise), Huron-Middlesex (Mr. McKinley), York-Simcoe (Mr. Stevens), Lambton-Kent (Mr. Holmes), Grey-Simcoe (Mr. Mitges), Winnipeg South Centre (Mr. McKenzie), Dauphin (Mr. Ritchie), and Palliser (Mr. Schumacher), has been filed with me, pursuant to section 20 of the Electoral Boundaries Readjustment Act, chapter E-2, RSC 1970, to the report of the Electoral Boundaries Commission for the province of Ontario.

If the House agrees, I would suggest we follow past practice and print the text of the objection as an appendix to this day's *Votes and Proceedings*. Is that agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CRIMINAL LAW AMENDMENT ACT (No. 1), 1976

MEASURES FOR BETTER PROTECTION OF CANADIAN SOCIETY AGAINST CRIME

The House resumed consideration of the motion of Mr. Basford that Bill C-83, for the better protection of Canadian society against perpetrators of violence and other crime, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Woolliams: Mr. Speaker, on a point of order, I appreciate Your Honour has reserved your decision on my motion in order to consider it, but I would file the caveat at this moment that before any decision is made some hon. members would like to speak to the question of my right to move such a motion at this time.

Mr. Basford: Mr. Speaker, on a point of order, I was going to make the same suggestion as the hon. member for Calgary North (Mr. Woolliams). I hope that at some point the Chair will want to hear argument on the motion by appropriate members of the House, and we will reserve our position on that matter.

The Acting Speaker (Mr. Turner): Is that agreed?

Some hon. Members: Agreed.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I listened with some care and attention to the lofty goals that the Minister of Justice (Mr. Basford) outlined for Canada's criminal justice system and the measures that he suggests will ensure that the system continues to be effective. He also said in the course of his remarks that crime in Canada is under control and that these measures will ensure that it will continue to be under control. Well, Mr. Speaker, it is not very hard for members on this side of the House to find a great deal to disagree with in those statements. First of all, crime is not under control in Canada, and anyone who takes a careful look at crime statistics knows that it is not under control. In communities where I come from in the province of British Columbia people continue to lock their doors and buy German shepherd dogs. With the growing siege mentality in the surburbs of our major urban areas, the people know that crime is not under control. This legislation is not going to solve that problem. It may make some kind of dent in it, but it will not solve the problem at all—and the reason is that the legislation deals only with simplistic issues. It deals only with the penal side and not the causes of crime that the hon. member for Calgary North (Mr. Woolliams) so eloquently expressed to the House.

• (1650)

No program is worth looking at unless it mentions hard drugs, Mr. Speaker, and there is not a single phrase about that subject in any of the legislation that I have read.

Some hon. Members: Hear, hear!

Mr. Leggatt: There is nothing to deal with a problem that is insidious, that is growing and which accounts for 70 per cent of the violent crime in Canada.

Some hon. Members: Hear, hear!

Mr. Leggatt: The government says it is dealing with crime, yet there is not a single proposal put forward to deal with hard drugs. I think that is a shame. The minister of Justice should look again at what he calls peace and security legislation, and try to deal with that problem. People who have dealt with the hard drug problem in Canada, from the heavy penal side to the question of legalization, all agree that major change has to come about in this area. Why are we waiting so long for major change? The statistics are there. What is going on on the other side of the House? There is not a single program in Canada, not a heroin maintenance program for hard core addicts that might be worth looking at.

I do not see anything in the bill about the other major cause of crime in Canada. Sixty per cent of the inmates of our penal institutions are native Indians, yet they compose only 1 per cent of the population. How can the government say it is dealing with crime in any meaningful way when there is nothing that deals with the cultural shock of natives in Canada and the continuing conflict between the white culture and the native culture? It is to Canada's eternal shame that we do not deal aggressively and immediately with the problem of Canadian Indian crime. There is no use hiding this: it is out there, and in large proportions. We have offered a few court workers and a few token native people in the RCMP, but there has been no aggressive program to attempt to solve some of the basic cultural problems.

What we see in the legislation is a simplistic approach, one with which our party is not entirely in disagreement.

We believe there is a role for punishment in the criminal justice system; we do not disagree that some punishment should be increased where appropriate. But the great lack is the minister's insight into the causes of crime in Canada.

Some hon. Members: Hear, hear!

Mr. Leggatt: Mr. Speaker, I wanted to deal in more detail with the question of drug-related crime. Not only is 70 per cent of the serious crime in Canada related to drugs, but 50 per cent of the inmates of federal institutions are there because of drug trafficking and drug trade offences. We spent $4 million on the LeDain commission which recommended compulsory medical treatment for hard core addicts, but we have never implemented the recommendations. I suppose that is another $4 million down the drain. Anybody involved in drugs can tell us that the approach we are taking now is a total disaster. Our crime rate continues to increase because of it. In Vancouver, in a period of three years, a coroner found that 1,000 deaths were directly attributable to hard drugs, all of which is related to the criminal process one way or another.

In Japan, under a heroin addict program of compulsory medical treatment, the number of addicts was reduced from 40,000 to 100. Maybe Japan has a different culture and a more homogeneous society but, Mr. Speaker, surely we can look somewhere else for solutions to the major cause of crime in Canada. In Great Britain, with a population of 50 million, there are 3,000 heroin addicts. They have a program to try to decriminalize users. That does not mean they legalize the distribution of hard drugs, but they isolate addicts and treat them. We should do the same in an effort to stop the insidious growth of drugs in schools where the user has no choice but to turn somebody younger on in order to secure the means of supporting his habit, so the thing pyramids through whole urban areas. The government is doing nothing about this.

In British Columbia we are beginning to think the government does not know we exist. We have the major drug problem in Canada.

Some hon. Members: Hear, hear!

Mr. Leggatt: I should like to quote the remarks of the Vancouver coroner about this problem when he discovered there had been 1,000 deaths due to drugs. The Vancouver *Province* reports the coroner as saying that serious consideration should be given to a federally-controlled drug maintenance system for addicts in both Canada and the United States; either that or the setting up of a strict, continental enforcement of drug laws. He said that British Columbia is left virtually on its own to deal with 65 per cent of the nation's drug problem, and it is time the federal government took over the fight on a national and international scale to take the profit out of heroin trafficking.

As long as we continue to treat crime in a completely one-sided and simplistic way, all we will do is put offenders behind bars. In many cases that is necessary, and in many cases the public is protected because there is no repetition of the offence. But it is not getting at the root of the problem. I mentioned earlier the problems of the native Indians are not being dealt with except in a token way with the provision of some court workers. There have been some Indian friendship centres as well. The crisis problem with the native people, however, is the educational system. We continue to warp the Indian's view of himself in the way we treat the history of Indian people in Canada. Until we decide to give Indian people pride in their culture, we will continue to see the growth of the insidious problem of the white culture imposing itself on the native culture, with the massive social and criminal problems that follow.

I want to say a few words now about the subject of gun control, Mr. Speaker. I have very vigorous disagreements with the hon. member for Calgary North concerning almost everything he had to say about gun control. Indeed, I wonder whether he read the bill. He was talking about the licensing of guns. I read the bill, and there is nothing in it about licensing guns; it is licensing of ownership. That is a proposal that has been made by most gun clubs in Canada, most wildlife federations, and it is the proposal we are now examining.

I oppose the registration of weapons Mr. Speaker. I think it is an unnecessary bureaucracy. The requirement that a person should act responsibly, however, and have a permit to buy a long rifle is not a severe interference with his rights, it seems to me.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. We are a little beyond five o'clock, so pursuant to the order made on Friday, February 27, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, and public bills.

[*Translation*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, we agreed, through the usual negotiations, to discuss motion No. 43.

Before moving it,—

PRIVATE MEMBERS' MOTIONS

[*English*]

CANADIAN ARMED FORCES

SUGGESTED AWARD FOR SERVICE IN NATO

Mr. Deputy Speaker: Order, please. There has been agreement on all sides that motion No. 43, in the name of the hon. member for York Centre (Mr. Kaplan), shall be amended prior to presentation so that it shall read:

That, in the opinion of this House, the government consider the advisability of taking immediate steps to establish a service award for past and present members of the Canadian armed forces serving in the North Atlantic Treaty Organization in recognition of their dedication and high standards, keeping in mind that such awards already exist for members of the Canadian armed forces serving in the United Nations peacekeeping duties and that NATO servicemen deserve the same recognition.

● (1700)

Mr. Paproski: That has been agreed, Mr. Speaker.

NATO Service Award

Mr. Deputy Speaker: Is there unanimous agreement that the House proceed with motion No. 43 at this time appearing on the order paper in the name of the hon. member for York Centre, and that the preceding motions be stood?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Is it also agreed that the hon. member for York Centre shall have permission to modify his motion as suggested, to meet the more normal presentation procedure in respect of motions to be adopted in the House?

Some hon. Members: Agreed.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of National Health and Welfare) moved:

That, in the opinion of this House, the government consider the advisability of taking immediate steps to establish a service award for past and present members of the Canadian armed forces serving in the North Atlantic Treaty Organization in recognition of their dedication and high standards, keeping in mind that such awards already exist for members of the Canadian armed forces serving in the United Nations peacekeeping duties and that NATO servicemen deserve the same recognition.

He said: Mr. Speaker, the long session in which we are now engaged has one advantage, at least. It gives so many of us who have had resolutions on the order paper an opportunity to have them come forward for debate. I am delighted to have the opportunity now to bring forward this motion. I am certainly hopeful it will find general support among many members of the House. I am asking that the government consider the advisability of taking immediate steps to establish a service award for past and present members of the Canadian armed forces serving in the North Atlantic Treaty Organization in recognition of their dedication and high standards, keeping in mind that such awards already exist for members of the Canadian armed forces serving in the United Nations peacekeeping duties and that NATO servicemen deserve the same recognition.

In my life, unfortunately I have had very little contact with the military, but that changed in the last years since I became a member of parliament representing the Downsview air base, Canada's largest military establishment. Since then I have had a considerable amount of contact with servicemen. I wish to tell hon. members that it is not because of pressure from the servicemen that I am bringing forward this resolution. In fact, there is very considerable reluctance on the part of servicemen to acquire recognition in the form of new medals to be established for bravery or, as in this case, for service. The general view of the military is that one ought to do one's best, but should not particularly press for recognition of those efforts.

We certainly do not want to have a tremendous number of medals established for the Canadian armed forces. There are some countries in which medals are given for practically everything—almost even for recovering from a cold. No one in the armed forces would want to see that degree of proliferation of awards exist in Canada. On the other hand, it seems to me there is an anomaly in that there have been so many awards and types of recognition for other forms of service, while for NATO service no award or recognition presently is given. In that spirit, I put forward this resolution in the hope that it will meet with the approval of the House.

[Mr. Paproski.]

Honours and decorations are bestowed upon persons by a grateful country to show the high respect due to such persons by reason of their having made some contribution to the common good beyond that required. These usually take the form of a star or a medal which is worn to signify the honour. A number of awards have been available in Canada, historically at least, since 1812. The government of Canada issued awards to Canadian servicemen back as far as 1866 and 1870 during the Fenian raids. They were awarded for service in the Sudan in the period 1884 to 1885. They were awarded for service in the Northwest in 1885, for service in South Africa in the period 1899 to 1902, for overseas service in World War I, and for voluntary service in the period 1939 to 1945.

Subsequently, there has been an award for service in the Korean war which involved service of one day in Korea or 28 days afloat. There is the UN Korea medal, and the UN Emergency Force medal for service on the Egyptian-Israeli border. There are also UN medals available for three months' service in the Congo, 30 days' service in Lebanon, three months' service in New Guinea, six months' service in India and Pakistan, 60 days' service in Yemen, 90 days' service in Cyprus, 90 days' service in India-Pakistan, and 90 days' service in Indochina. Although there are other awards, these are the principal ones. I have described them tonight to make clear to hon. members that a NATO service medal would certainly be within the tradition of our country. In this spirit, and without wanting to take too much time, I would urge hon. members to give support to this resolution.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, at the outset I should like to say to the mover of this motion that it is in fact one of the more thoughtful things that has been done in this chamber with regard to serving Canadian armed forces personnel during the 10 or 12 years I have been here. I commend him for it. I should like to indicate to him that I take some pride in being a spokesman from this side of the House in support of the motion he has placed before us.

The hon. member has gone through the historic background with some thoroughness and obviously with some concern. He has clearly outlined the precedents for such a motion. It is a matter of regret to many us that the Department of National Defence, at least the people on the civilian side of the department, did not move in this direction a long time ago. The subject put forward and embraced by this motion, of course, is not new. It is not novel to the hon. member who proposes it.

Although I am sure the hon. member is aware of this, he has presented the motion in a very thoughtful and courteous way. This is the type of motion which we can readily accept. I think the government would be doing a service to the mover, to the chamber and to all Canadians if it were to give this motion and its very worthy subject the consideration it deserves.

There is another aspect of this matter which I think should be mentioned. I hope I do not get away from the subject matter in raising it. I suggest there is a very real question of urgency involved. If the concept is good, let us

accept it now. Let us do everything we can with respect to this bill and urge upon the government the necessity and urgency of moving on this suggestion. Let us get it into place so that members of the armed forces who have served on the land, in the air and on the water might be the recipients of this honour from the government and from Canadians.

● (1710)

There is a sense of urgency because at the rate we are going with respect to the Canadian armed forces, we will not have a Canadian armed force in another three or four years, in view of the enormous difficulty that seems to be arising with respect to one of our principal contributions to NATO, namely, the LRPA program. We have the Minister of Supply and Services (Mr. Goyer) saying it is not their problem, and that the $200 million required by Lockheed must come from National Defence. National Defence says they have only $50 million. The Minister of Supply and Services said we must make up our minds by the end of this month or there will be no LRPA; they will cancel the program and put the contract back in the drawer or else bring to an end Canada's involvement in this form of military activity with respect to continental and NATO defence.

I inject this note of urgency because, like the distinguished mover of this motion, many of us are very concerned. We are concerned that we should always give the type of recognition that is necessary for service. Service is always distinguished, and we must not lose sight of that. There is urgency because we might not have an armed force in another two or three years. Going back to the long time it took us to erect memorials in recognition of the contribution made by our armed forces personnel since the Korean war—and I will just stay with those who lost their lives at sea—let me point out that we had no difficulty accommodating merchant seamen and naval personnel who lost their lives in the First World War, in the Second World War or in action in Korea. But in the intervening years between the First and Second World Wars, and between the Second World War and the Korean war, many of our Canadian armed forces personnel died in the line of duty and it took us a long time to give recognition to the contribution of their life that these men made. We have only had it for the last two or three years in the form of an anchor at Point Pleasant park in Halifax. We should have had it 25 or 30 years ago.

I suggest to hon. members that the motion should be dealt with and the government should give consideration to it this year, not in 20 or 30 years' time. Let us do it while the men who served with distinction in the NATO forces in Europe, on the Atlantic and in the air space over the north Atlantic are with us. I think it is something we can all support. I bring into this matter a note of urgency because of the necessity of doing it now while men whom we are attempting to honour can receive with distinction and pride the type of medal or ribbon that is being suggested by the mover of the motion. We support it, and hope the government will accept the amendment which gets around the procedural difficulty and that this chamber can very quickly, in the next few minutes, advance this matter to the point where the government can recognize the motion in the hope that some time in 1976, or perhaps while our present governor general is still functioning and active he can present the first of these awards. We commend the mover, we support the motion, and I hope the government will utilize the next few minutes to give some indication that it is prepared to accept it and move with it.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we are happy to give our support to this motion. We commend the hon. member for bringing it in, and even more we commend him on his success in getting it through.

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, on behalf of my minister who is visiting Canadian troops on exercise in Norway, I am very happy to inform the House that the government accepts the principle of this motion. I want to add my personal congratulations to the hon. member for York Centre (Mr. Kaplan) for proposing the motion. I would also like to express to him our gratitude for his interest in members of the armed forces. I am also very grateful to him for the change which he made in the wording of the motion, because there are inherent difficulties in its implementation. I want to point out two or three of these difficulties and to emphasize that I am not doing this to take up time. I will not be very long.

First of all, as the hon. member himself pointed out, the proliferation of awards does tend to reduce the value of existing awards and care will have to be taken in the implementation of this motion to see that that does not happen with existing awards in the armed forces. Consideration will also have to be given to the position of our forces serving in NATO vis-à-vis the forces of other countries serving in NATO, because several years ago—I believe it was in 1968—NATO discussed the possibility of having a NATO award for forces from member countries serving with NATO. The reaction among the various nations at the time was pretty negative, so the idea was dropped. However, this will be a Canadian award for Canadian servicemen.

Another point I would like to make is that there may indeed be some sentiment in the armed forces against the implementation of additional awards, and I think it would not be a good augury for the proposed award if it should become an object of controversy among the members whom it is intended to honour. I want to stress, also, that as I see it, at least, this is an in house award, not an additional award for bravery but a service award which would be presented within the armed forces to members of the armed forces. However, on balance the government supports the purpose and intent of the motion and I recommend to the House its speedy adoption.

Mr. Forrestall: Mr. Speaker, I rise on a point of order. I wonder if the distinguished parliamentary secretary would entertain a rather brief question.

Mr. Dionne (Northumberland-Miramichi): Yes, Mr. Speaker.

Mr. Forrestall: I welcome the government's attitude with respect to this bill and again extend my congratulations to the distinguished member for York Centre. In reference to this being a Canadian award to Canadian service personnel, has it been taken into consideration that

from time to time non-Canadians serve in an operational capacity with Canadians within the NATO context? Would the Canadian government consider extending to that relatively rare handful of people—nevertheless they are there permanently on officer exchange programs, and so on—their inclusion in connection with the award of a service ribbon or medal?

● (1720)

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I appreciate the question of the hon. member but I am afraid I cannot give him a definitive answer. It seems to me that there would be a problem of protocol since this country would be making awards to citizens of other countries, and I suspect that there would have to be consultation between the governments involved. I think it is a matter which would have to be subject to negotiation with other countries before it could even be considered.

[*Translation*]

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: Does it please the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

[*English*]

Mr. Knowles (Winnipeg North Centre): Six o'clock.

Mr. Deputy Speaker: There seems to be a disposition to call it six o'clock. Is that agreed?

Some hon. Members: Agreed.

At 5.23 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CRIMINAL LAW AMENDMENT ACT (NO. 1), 1976

MEASURES FOR BETTER PROTECTION OF CANADIAN SOCIETY AGAINST CRIME

The House resumed consideration of the motion of Mr. Basford that Bill C-83, for the better protection of Canadian society against perpetrators of violence and other crime, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

The Acting Speaker (Mr. Turner): Order, please. It is my understanding that the Minister of Justice (Mr. Basford) and the hon. member for Calgary North (Mr. Woolliams) would like to offer certain comments as to the procedural acceptability of the amendment proposed by the hon. member for Calgary North. I wonder if the House would agree to let this matter stand over until tomorrow, at three o'clock, at which time Mr. Speaker will hear arguments pro and con the acceptability of this amendment. Meanwhile the House could go on debating the motion for second reading of Bill C-83. Is this agreed?

[Mr. Forrestall.]

Mr. Basford: Mr. Speaker, this afternoon, when intervening, I rose to reserve the rights of the government, and it may not be I who will speak to the amendment. I hope that is acceptable.

The Acting Speaker (Mr. Turner): Is this agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): It is so agreed.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, before I was so politely interrupted at five o'clock I tried to make two points, namely that this bill lacks provisions concerning our native peoples and provisions concerning hard drugs in Canada.

When he began his remarks the Minister of Justice (Mr. Basford) elucidated some of the lofty ideals which he hoped this bill would meet in improving our criminal justice system. An ideal to which he and, I am sure, all hon. members subscribe is the ideal of the independence of the judiciary. I ask the minister to read again the answer of the Minister of Public Works (Mr. Drury) as reported on page 11457 of *Hansard* for March 3. I know the minister has acted in good faith and is making a serious attempt to inquire into the matter.

I think every hon. member should examine carefully the answer made on March 3 by the Minister of Public Works in response to a question by the hon. member for Calgary North (Mr. Woolliams). I have read the record with care. That is the only incident to which I draw the attention of hon. members. I think the minister and hon. members ought to be concerned about it. I trust that despite any consultations in which the minister may engage he will give serious consideration to what the Minister of Public Works said on March 3 in answer to the hon. member for Calgary North. May I put on record once more the answer to the hon. member for Calgary North. The Minister of Public Works said:

> I had a conversation, also, with the Associate Chief Justice of Quebec, along, as I discovered, with a great many other public spirited citizens who had taken part in trying to effect a solution to a rather difficult and, to some degree, unprecedented problem. The hon. Mr. Justice Mackay has suggested that my intervention, whatever it may have been—and he does not make any suggestion as to what it was—did not have the desired effect.

To be fair, the minister disclaimed any intention to influence the judge's decision. Nevertheless, any member reading that answer must question if such intervention is consistent with an independent judiciary, of which the Minister of Justice spoke so eloquently. Is it consistent with one of the objects of the legislation? Is it right and necessary for the Minister of Justice to question the actions of another minister?

I turn now to gun control. Despite what the hon. member for Calgary North said this afternoon, I fail to see language in this bill which says that rifles or weapons must be registered. Such provisions in this bill are licensing provisions and ownership provisions. All hon. members have received much mail from those interested in gun sports. It is important to consider the objects of worth-while organizations; incidentally many of their worth-while recommendations are contained in the bill.

I have before me a brief from the B.C. Wildlife Federation. It is on gun control. In bold type we are told, in the brief, that all firearms owners should be licensed. This bill does what the B.C. Wildlife Federation asks, and what many gun clubs in Canada ask. I was urged personally not to touch on the question of gun registration. I say that the government is to be congratulated for a reasoned approach to firearms control.

I have read the bill through. Largely, it is sensible.

Some hon. Members: Hear, hear!

Mr. Leggatt: Did I go too far?

Mr. Epp: You had better modify that.

Mr. Leggatt: Although I have some reservations about parts of the bill, I say that the principle of this gun legislation is sound. At a time like this some credit should be given to members of the public who had considerable influence and worked very hard to see some change made in gun laws. Mr. and Mrs. Slinger had a tragedy in their family as a result of firearms killing. Their member, the hon. member for Peel-Dufferin-Simcoe (Mr. Milne), has been active in this matter. It is to his credit that we now see brought to fruition a significant change in the law.

● (2010)

We can also congratulate a lady from British Columbia, Mrs. Maggie Burtinshaw, whose son met with a tragedy. These people, Mr. and Mrs. Slinger and Mr. and Mrs. Burtinshaw, did not hide or go away to suffer their tragedies. They had a feeling for the Canadian community. They wanted to do something so that other tragedies would not occur.

We in this House very often argue statistics on the question of gun control. What percentage was shot by rifle, what percentage was shot by handguns? The real question is the human tragedy. It is not statistics. It is the personal story of people like Mrs. Burtinshaw and Mr. and Mrs. Slinger who had the courage, out of their tragedies, to come to parliament to make sure that similar tragedies are not repeated. This House should congratulate those individuals in particular for their efforts in terms of trying to provide some safety in the area of gun control for Canadians.

Some hon. Members: Hear, hear!

Mr. Leggatt: I also wish to congratulate the coroner from the city of New Westminster, Mr. Doug Jack, who a long time ago started to be concerned about this. He investigated 26 homicides in the New Westminster coroners' district. He found that 24 were as a result of firearms.

An hon. Member: Is he a doctor?

Mr. Leggatt: He is an ex-police officer. He was concerned that the recommendations of coroner's juries which have been made over and over for the past ten, 15 or 20 years were never reflected in legislation. He could not understand why. I can understand why. When I came to parliament in 1972 I just had to read my mail coming from various gun clubs, continually arguing there should be no change made under any circumstances.

That position has been modified over the years. We can congratulate most of the people in the shooting sports for a rational approach to the question of gun control. In fact their positions have become modified. Some of us who came to this House with a firm position with regard to the registration of weapons have modified that position. There has been a meeting of minds to a very large extent on the question of gun control.

You cannot avoid looking at some statistics on the effectiveness of the question of gun control. In Canada the handgun is the agent for about 10.4 per cent of our homicides. That is not a high percentage, but you must consider that the handgun is a restricted weapon in Canada. In the United States, where it is largely unrestricted, 54 per cent of homicides occur as a result of the handgun. When you refer those figures to Canada, we are doing the same with long rifles that they are doing in the United States. There is no more cogent argument that controls work when you compare the two cultures which have some similarity. Where we control the weapon, we reduce the extent of homicide.

It is important to remember that in Canada the firearm of one kind or another is the agent used in about 44 per cent of the homicides. Something like 50 per cent of those homicides are domestic. When you sift through these domestics you reach the conclusion that there are preventable homicides as a result of the negligent distribution of firearms in Canada among people who should not have access to them. That is what this legislation is designed to do. For enshrining that principle, our party will support it.

We have some reservations, however, in terms of what the legislation does not do. There are some very special problems with rural and native people in Canada. Native people, particularly in the north, have a severe problem in terms of their survival in that climate without the use of the rifle.

If the issuing officers in the north have a standard that is the same as that in the south, there could be a very severe prejudice to native people. Our party will suggest there should be guidelines drawn for the use of the rifle by that special group of people who need the rifle to survive. For example, we may have a case of an indictable offence in the north where a native person, or someone working in the north, is convicted. Without the use of his weapon his livelihood is finished. Therefore there has to be some flexibility and exception under the terms of the legislation in that area.

I see the Solicitor General (Mr. Allmand) in the Chamber. I am hoping that the government will give consideration, if not to amending the legislation, to setting forth some very careful guidelines for the licensing officials in the north and in rural areas so that people who require a weapon for survival are not deprived of it frivolously or through the prejudice of a licensing officer. It may be we

will have to apply different standards in different parts of the country. That is something we have to recognize.

I am disappointed in another area. One of the recommendations continually made by firearms groups such as the B.C. Wildlife Federation and the Canadian Wildlife Federation is on the question of mandatory competency tests and training prior to the issuance of a licence to purchase a rifle.

I examined the legislation carefully. I cannot see any provision whereby some form of training or competency testing is required. This is a fairly severe weakness in the gun control legislation. Our party will propose to amend this legislation in accordance with recommendations by groups like the Canadian Wildlife Federation and the B.C. Wildlife Federation to encourage the responsible use of weapons, and the training and competency tests that are so necessary.

There was a recommendation by the Canadian Wildlife Federation which I think is attractive and which, I am sorry to say, the government has not seen fit to adopt. That is with respect to delay in purchase. A person wanting to purchase a rifle can simply walk in and pick it up if he meets the ownership licensing provision. In some cases a tragedy could be averted if there were a 24 hour delay in delivery of the weapon, if a person has an illegal purpose for the weapon or is emotionally unstable at the time of purchase.

There are a number of areas where recommendations by the Wildlife Federation and people involved in shooting sports have not been adopted. I hope the government will take a second look at amendments this party will be proposing in those areas.

I am delighted, of course, that the legislation ends mail order sales of weapons.

Mr. Basford: Mr. Speaker, I wonder whether the hon. member might permit a question solely for the purpose of ensuring that the record is correct. I draw his attention to clause 106.8 of the provisions which allows the Solicitor General to enter into agreement to maximize the co-ordination with provincial laws relating to game hunting and firearm safety training.

● (2020)

Mr. Leggatt: There might be some provision for entering into agreements with provincial authorities, but it seems to me that the government could provide leadership in this area. There is nothing to prevent the federal government taking the lead in terms of competency tests. I don't see that there is any jurisdictional problem. It could have been set forth as one of the prerequisites in connection with the licensing provision. However, I appreciate that there is a capacity to enter upon agreements later under the provision to which the minister has referred. I understand from my respected friend from Regina-Lake Centre that the minister could do it under the migratory birds legislation.

In any event, in summary, though we have some reservations about the gun control legislation we think it is a useful first step. It does incorporate the major principles we have been seeking to incorporate, and it goes a good distance toward accommodating those interested in the shooting sports and the hunting field who are so concerned about the licensing of weapons. Licensing, it seems to me, is a small price to pay by those in the shooting sports who have a legitimate purpose in using these weapons. It is a routine arrangement and one which, I imagine, will be complied with in order to protect that sport and its respectability, while preventing those who should not have weapons from possessing them.

Before embarking on new legislation it is wise to take a look at legislation presently on the statute books. As things are now, a person can walk out of a mental hospital suffering from a paranoic delusion, buy a long-barrelled rifle and shoot whoever he is paranoid about. At present there is nothing to prevent such an occurrence. How many fatalities have resulted from these and similar circumstances?

We have been talking about statistics and, I admit, statistics can become boring. But over and over again I read in newspapers of homicides which, under this legislation, might have been prevented. Obviously it will not solve this problem. People will still be able to obtain weapons from the black market. Nevertheless there is a real chance that an unstable or emotionally disturbed person will be unable to obtain weapons. Some people ask, "Why don't you control the possession of knives?" Well, there is always a point at which one stops. They might as well ask why one is allowed to buy shoes or boots without a licence. After all, people are sometimes kicked to death. The fact is that the gun is the most dangerous weapon because it takes only the pressure of an index finger to cause death.

The statement that people kill people and that guns do not kill people does not stand up to serious examination. I could quote item after item in newspapers to illustrate the point I am making. Here is a heading, "Labourer kills wife, then self". This man had been under psychiatric care. Under this legislation he need not have had access to a weapon had the licensing officer been informed. Here is another heading, "Elderly Man kills Son-in-Law". This was the case of a senile person; the weapon he used would have been removed had the relevant information come to the attention of the licensing officer.

I read of another case where a man was shot to death after a dispute over the digging of worms, of all things. In a resulting argument one of the parties obtained a weapon and shot the other. The person was obviously emotionally disturbed; if there had been a history of instability the legislation we are considering might have prevented this homicide. There are, of course, the classic tragedies which occurred in Ottawa and Brampton involving two boys, both obviously unstable. One might argue over whether or not this legislation would have prevented those two incidents, but there is a clear chance that it might have done so. It is surely incumbent upon the House to try to reduce homicides and the price to pay, that is, an application to a licensing authority, is small indeed.

I wish to deal now with the subject of wire tapping. We fought this battle in 1973 and now we are back fighting it again. The Minister of Justice suggested that those who criticize the changes in the wire tapping bill are raising doubts about our police forces. I have not seen a bigger red herring in this House for a long time. Look at the report of a Law Reform Commission, a report which the government paid a great great deal of money to obtain; it is true hon.

gentlemen opposite paid very little attention to the recommendations contained in it. I will read page 61 dealing with the question of the admissibility of illegally obtained evidence in courts of law.

> Rules of evidence are unlikely to prove very effective in controlling police behaviour. However, the courts must be able to protect the integrity of the adjudicative process. Therefore evidence should be excluded if it was obtained in such a manner that its admission would bring the administration of justice into disrepute and in effect render the judicial process, which ultimately is designed to further the aims of the penal system, self-defeating.

This is a law and order bill. It should mean law and order for you, for me, and for the police too. I see no reason why the police should be rewarded by permission to introduce illegally obtained evidence. The law is for all of us, not just for some of us. This proposal does nothing to reduce the crime rate, but if we allow illegal evidence to be produced it does a great deal to bring the judicial system into disrepute.

Another provision the minister seems very keen on is the removal of the notification process. With the greatest respect I do not think he understood why that provision was put there in the first place. It was meant to provide a check in this exceptional area so that the police would not abuse their right to wiretap and so that, ultimately, an innocent citizen would know his communications had been intercepted. This was the method by which parliament decided to reduce the number of unnecessary interceptions.

Wire tapping is not a normal police procedure. Look at the statistics in the United States and you will find evidence of the most amazing kinds of fishing expedition which have revealed nothing except the bedroom behaviour of all kinds of people. The United States experience of wire tapping goes to the roots of the system under which we live. It profoundly affects the right to privacy.

If we remove the right to privacy we must do so carefully and in a manner consistent with the rights the public has traditionally learned to expect by way of protection from big government. The two provisions the minister proposes in this area represent the most serious erosion of the kind of rights to which we are accustomed under the British judicial system, which I am sure we all respect as among the finest in the world. I hope the Minister of Justice will give serious consideration to withdrawing those changes. Let me tell him that the members of this party and, I hope, most of the opposition are going to fight them with all the vigour at our command.

● (2030)

We have little to argue about the provisions regarding dangerous offenders. It is a rationalization of the program. There is a useful change, as I understand it, in the sense that only violent sexual offenders qualify now for an indeterminate sentence, and that is an improvement over the old system. Nevertheless we are still faced with the problem of the discretion given prosecutors and attorneys general; the manner in which the section is applied can be abused substantially. I am therefore issuing the caveat regarding this section, perhaps for the guidance of attorneys general and prosecutors in this country, that they had better get together and have a conference and decide who is going to be charged under the dangerous offenders provisions, and who is not.

At the moment the majority of people who are presently serving time in Canada come from British Columbia, and this is because of some very effective prosecutions in that province. Nevertheless it is clear that those sections were not being applied properly across the country. It seems to me that a national conference of some kind on the application of the dangerous offenders provisions is fundamental to seeing that the sections are applied fairly.

The bill also deals with changes in the operation of our prisons and parole. I should like to quote from the minister's statement which he issued on February 24:

> —a revised construction program that will accelerate the replacement of large, obsolete maximum security institutions by smaller, more manageable institutions and the reduction of population in the existing medium institutions—

Although the minister talks of reducing the prison population there is no question, if one examines the bill, that the prison population will increase. I see the Solicitor General shaking his head. If we amend the mandatory parole provisions regarding violent offenders as the bill provides, and the capital punishment bill provides for 25 year mandatory sentences—though that is not as important in terms of numbers as the general parole changes—then I would be happy to be enlightened if this does not mean that we will be increasing the population of our prisons very substantially. So these pious statements about reducing the population of our penal institutions in Canada, quite frankly I do not think will wash when one examines the approach being taken to sentencing.

Mr. Allmand: They have to do with non-violent crimes.

Mr. Leggatt: Another facet connected with parole that has been of concern to me is the lack of consultation with those who most intimately know the subjects for parole. It is very easy for a prisoner to get himself ready for a parole hearing, and what happens is that the glib and articulate wind up out on the street while the inarticulate remain inside, when quite often the reverse should be the case. We should consider having consultations with other inmates in the institution and with the guard staff who have more day-to-day contact with the inmates of institutions.

There is not much doubt that one of the reasons, why the penal system has come into such terrible disrepute has been the mistakes that have been made in the issuance of parole. They have been horrible mistakes; there is no getting away from that. The problem continues to be in the granting of parole—who gets parole, and the review process that presently exists. I submit that the kind of consultation that should be carried out—

The Acting Speaker (Mr. Turner): Order. I regret to inform the hon. member that his allotted time has expired. He may continue with unanimous consent. Does the hon. member have unanimous consent?

Some hon. Members: Agreed.

Mr. Leggatt: May I thank the House. I will try to close my remarks briefly and not take advantage of the generosity extended to me. If I may get off the subject of parole for a moment and back to the question of what we

do about the dangerous offender who will now spend 25 years in prison without eligibility for parole if the murder bill passes in its present form, I contend it is time we take a look at our maximum security institutions. I suggest that what we need is a super maximum security prison for that kind of prisoner, and there may be only ten of them in each of the maximum security prisons that we have. Certainly the institutions we have at the moment are not doing what they should. Morale is at rock bottom in those institutions and a war is continuing between the Solicitor General, the administration, the guards, and inmates. No one has been able to bring them together.

What is the answer to this situation? The answer is not to make the same mistakes again. First of all, in terms of morale we have to examine the question of raising the salaries of people who work in our prisons. They do a difficult and dangerous job and in British Columbia it is one that is not paid very highly, being just above British Columbia's minimum wage. I give people who go into our prisons every day full credit for doing a dangerous job and a great service to our community. But that is only part of the story, Mr. Speaker.

The rest of the story has to do with the whole civil service structuring of the operation of the prisons, and in particular with segregating the kinds of prisoners we have. For example, we should not have sexual offenders and stool pigeons in the same institution as drug traffickers and violent offenders. There is neither rhyme nor reason to that.

The minister has talked about his new program of smaller institutions. I read the Hall report when I first came to the House in 1972 and it seems I am still reading the same report; there has been no change. We do not have any crash priority program to phase out existing facilities and construct new facilities, and until we have the public are not going to be satisifed with this kind of legislation as a means of dealing with those who are in maximum security prisons.

In conclusion, Mr. Speaker, this legislation is not going to solve the crime problem in this country—let there be no mistake about that. There are major areas not dealt with by the bill. The only preventive legislation is that having to do with gun control. We have to get at other problems such as hard drug trafficking and native crime in Canada. These areas remain untouched. We also have to deal with disparity of income. An examination of the crime rates in urban areas reveals that that is where the highest rates are. It is also where you find the highest disparity of income. That is what breeds crime. It breeds crime through envy, through unemployment, and through child abuse. There is ample evidence of massive child abuse and this is not being controlled.

This party will support some of the sentencing changes because the public are entitled to feel secure. They have a right to be concerned about safety and rising crime rates, rates that are clearly demonstrable. But until we get to the cause of crime which, as I say, is urban proverty, drugs, and psychopathic behaviour that must be identified at an early age, we will not make a serious dent in what is essentially a cultural problem in Canada.

[Mr. Leggatt.]

● (2040)

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, Bill C-83 is aimed at protecting Canadian society from perpetrators of violent crimes and others. And the Minister of Justice (Mr. Basford) told us this afternoon about the different subjects dealt with in this bill. I think that bill C-83 deals with several matters. It is some kind of an omnibus bill. It deals with firearms, parole, penitentiaries, jails, correction institutions and wiretapping.

Mr. Speaker, at first we should expect a bill that would ensure to everyone the security they expect in Canada. After reading the bill more carefully, I realize that the technocrats who drafted it acted once more against common sense. This bill will allow the Minister of Justice to seize arms belonging to honest people under the pretext of protecting them while more freedom will be given to well-known criminals who are threatening the safety of all Canadian citizens. The bill should be entitled "Rifles in jail and criminals at large". This government proposes a stricter control on firearms, but who will be affected by this control, Mr. Speaker? Certainly not the criminal element which is getting larger every day. Once more the good will pay for the bad. In fact, the only group that will be directly and efficiently affected by this control is the majority of honest people owning an arm for their personal use or their pleasure. This will be one more noose around their neck, one more restriction, a control that will not improve by one half of one per cent the safety in our country.

Mr. Speaker, can we believe that this minister will be able to control all the firearms owned by criminals in Canada and elsewhere. Of course not. It would be a marvellous opportunity for criminals to operate in another field: the illegal trade of firearms that will add to that of drugs, prostitution and all other crimes that are increasingly destroying our society.

The point was made previously that the bill would reduce the number of gun accidents. I am convinced that the small percentage or real accidents caused by firearms will certainly not be reduced one tenth of one percent when there is absolute control. We never had such control since the beginning of Canada, and I believe total control as proposed in the bill before us is exaggerated. I suggest it will not reduce in any the number of simple accidents, or even suicides for that matter.

If someone wishes to commit suicide with a firearm, he will find the way to buy a gun and kill himself. But this is disturbing everybody. This is another case of restricting honest citizens' activities, without stopping in no way those who should be stopped, gangsters in other words. It is not good policy in my view to pass such general legislation. I am for a certain amount of control, or some kind of registration for certain types of firearms. I even accept an intelligent control of firearms, a restricted licence. I wish to explain this, Mr. Speaker. I am referring to businessmen, travellers, bank managers, store managers, credit union managers, managers of every other financial institutions that must handle funds day and night. Those people must own licences. In my view, everyone in an important public function should be licenced to carry an arm if he so wishes. This will put him on an equal footing with his

aggressor. These days, one must be able to face an aggressor, because it is the only way to protect one's life. This should be the case with drivers of every public vehicule, while on the job. Why do so many honest citizens fall victims to their aggressors? Simply because they were attacked by a well-armed individual. If they had been armed, if they had been holding a firearm licence while on the job, most probably the murderer would have been the first to fall. This would have relieved society, without the Solicitor General (Mr. Allmand) being able to save the murderer at the victim's expense. Everyone should have the right to self defence against the one who wants to take his life. That is the right to live, Mr. Speaker. This is the right that honest people have to keep their life.

Several people will be surprised by such a liberalization, but it is the only way, Mr. Speaker, to have law and order respected as the Minister of Justice (Mr. Basford) advocated this afternoon, in this era of liberalism we live in, when the greatest offenders are favoured by the greatest judiciary protection ever seen in Canada. We demand that protection for the honest and peaceful man be guaranteed. Is it asking too much from our Minister of Justice, Mr. Speaker? In the ridiculous judicial system we live in, government authorities continually pity our criminals while thousands of victims are left without any protection, when their name is not even mentioned.

● (2050)

When shall we have legal reform that gives priority to the victims of criminals? Today, we worry about the criminals, but we never think about their thousands of victims. They are never mentioned. Let them fend for themselves, let them organize themselves. For instance, we show concern for the criminals, we think that we do not give them enough, that we should build houses for them and allow them to go out two or three times a week, and send them women at least every night to console them, but we never talk about the thousands of victims of these same criminals. Today, we multiply paroles and allow the killers sentenced to life imprisonment—the term is "life imprisonment"—to commit one, two, three and even four murders, or we allow the numerous organized escapes which have well-known consequences.

The first reform should therefore be to consider the conditions of the victims of crime, which are often very painful. The government has introduced no legislation to compensate the victims. We have talked about this quite often, but there is still no legislation to help and compensate these victims. What is the minister waiting for? When shall we stop orienting our justice simply towards the rehabilitation of criminals, and bring help to the hundreds of victims which remain marked and often handicapped for life. On the contrary, the minister seems to want to give criminals a medal.

When shall we finally amend our legislation so as to give more protection and security to police officers when they are dealing with criminals? Our police officers have to wait for the bandit to shoot at them before they can shoot back. This is equivalent to condemning police officers to suicide. And what about police officers who appear as witnesses in criminal cases. The evidence of the criminal is more highly considered than that of the police officer. I have occasionnally followed the work of certain police officers in murder cases, and I came out of the court disillusionned, because our laws give all the protection wanted to the murderers and nothing to the police officers. They are often ridiculed. After such events, we have a tendency to blame the judge, but it is our laws that we should blame.

I have myself often had the tendency to be dissatisfied with certain judges, but when examining the whole facts, I realized that the laws were responsible after I had discussed the matter with the judge and after he had told me: I could not do otherwise. The laws must be corrected. There is a lack in that respect at present in our laws.

If we want order, we must first protect those who are appointed to maintain order. I heard someone say earlier that policemen must come under the same terms as others. That is not true, Mr. Speaker. Policemen are men of law who must not be considered as plain civilians. They have rights. They have powers. They must be a tool for them. This bill proposes to increase the number of parole commissioners to 26. I will say in passing—without taking too much time although I would like very much to discuss those famous paroles more at length—that most members recognize today that paroles have become ridiculous; I wonder whether it is changed today or if we still continue to release all prisoners to allow them to go and commit other murders or armed robberies.

Increasing the number of commissioners will not solve the problem. It will be solved when the government will do something—I say the government because we know that the minister always has the last word, just like the Solicitor General always has the last word and may release whomever he wants.

I read in the paper that a guy sentenced to life did four years in prison. Imagine how painful it must be for a murderer to do four years in prison! The Solicitor General can do that, or the minister can intervene in paroles. There is no need to ask ourselves why today we see so many robberies and murders; it is because of the famous paroles. We want to rehabilitate prisoners. But when a person has been sentenced to 5, 10 or 15 years in jail, let him serve his time. If he has been sentenced to 15 years in prison, let him stay there for 15 years!

I say that parole should not even exist. We should instead give a just sentence. Some judges, considering that parole is so easy to obtain, say to themselves: We will give a criminal 10 years in prison, and he will serve four. But that is not right. If we want fair justice, let us give a sentence of three or four years, but let the prisoner serve it. We should not follow the example of unions in wage settlements. Organized workers say: We will ask for $8 to get $5. That is not justice. If it is three years, it is three years, if it is five, it is five.

When the person convicted has been sentenced to five years, it is not the role of a board, in spite of the judge's decision, to release the prisoner after two years in jail. Then why do we have judges? Thus we do not need judges any more; let us ask immediately the opinion of the parole board to see how long a prisoner must stay in jail. I think this is ridiculing our judicial system. As long as the appointment of commissions or judges will be political, and this is true in any area, we will have political results.

In the province of Quebec, we would have had for the first time the opportunity to have an efficient Commission of Inquiry into Organized Crime, but because of the weakness of our legislation, stemming from the definition of the jurisdiction, all the main witnesses in this inquiry are today beyond the reach of the commission. They are under sunny skies while their victims are still here. I wonder whether the federal government has not complicated matters and taken the risk of restricting the powers of our provincial commission.

Everybody acknowledged that the work undertaken by the commission of inquiry was positive and ingenious. This work was within its jurisdiction but federal intervention was required to stop it all. I wonder if the amendment moved by the federal government will not stand once more in the way of this provincial commission. Could it be because the commission was too successful when it began to unearth political machinations by the ruling party, which was not a pretty sight to watch and an even more disturbing thing to hear? When the most notorious names of the underworld are among the campaign managers of a major political party, what more can you expect? I am asking the minister whether the job of the 26 men board will be to check the work occasionally too efficient of our commission?

● (2100)

It is a question that all Canadians are asking themselves after the legal incidents that took place in Quebec these past few months. The people of Quebec have lost confidence in the Solicitor General (Mr. Allmand) and have suspicions about Canadian justice. It is this government's responsibility to restore the confidence they used to have in our justice. And surely it is not by opposing 90 per cent of the people that some ministers will restore their image.

Can you believe that you will accomplish something if you restrict the number of firearms among honest people, fine them if one ever happens to forget or neglect to bring back his shotgun or museum piece? When one sees how this government acts, one wonders who are really guilty of crimes perpetrated in Canada. The honest man or the criminal? Why is there so much violence in Canada? Is the government not primarily responsible for this violence with all these anti-social laws that were put forward in recent years in this House?

Let us bring forward more human laws and violence will decrease! Let us legislate for the Canadian people instead of doing it only because of high finance. Let us stop fiddling with protective policies or indulging in partisan profitability and we will have order and peace that the minister is wishing. Everyday, this government acts in a discriminatory way towards the poor by not providing them with minimum wages. The government further promotes violence among working people and low income heads of families by allowing and contributing to interest rates of 12 to 40 per cent, depending on the credibility of the borrower.

All this is designed to safeguard the interests of those who fill up the electoral funds of parties elected by big wheels. Therefore it is useless to strengthen control on weapons held by poor people if this government keeps on shining up its economic weapon, the worst of all. As regards investigations and firearms control, I hope at least that the government will give this responsibility to the various police forces, thus avoiding hiring a whole army of control agents to go around the country.

Wiretapping was discussed a while ago: the representative of the New Democratic Party said he was against it. I am for it. Anyone who is against wiretapping has something to hide. It is the supreme technique for policemen who want to make a serious inquiry. They could very well bug my office, my house, everywhere, it would not bother me, Mr. Speaker.

Mr. Prosper Boulanger (Mercier): But it would me, Mr. Speaker, though I have nothing to hide: but it would annoy me, disturb me.

Mr. Gauthier (Roberval): It would not bother me in the least. I am not talking about wiretapping to see what goes on in a home, but wiretapping criminals. I say that, for our policemen, it is the only sturdy tool, to enable them to do good work or make a conclusive inquiry.

We have seen it at work in Quebec, during the inquiry on organized crime. To my mind, the government must continue to allow policemen to use wiretapping when dealing with murders, the underworld, drugs and all other crimes committed today.

Mr. Speaker, there are many clauses in this legislation whose adoption I would have been in favour; but since we have to do with an omnibus bill and since on the other hand there is some clauses I cannot accept, I will certainly not vote for the whole bill, because I could not swallow such a piece which is too big for the moment. I would have liked this bill to be divided in two or three parts; this would have been easier for us to dissect and to vote on each of these parts.

[*English*]

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, Bill C-83 is a very important piece of legislation. As its title indicates, it is an act for the better protection of Canadian society against the perpetration of violent and other crime. It deals with matters which are considered crucial by Canadians at the present time.

I am sorry that the hon. member for New Westminster (Mr. Leggatt) has already left as I want to say that I think he was being somewhat unrealistic in attacking the bill because it does not deal with all the causes of crime, as he charged. As I think all members of the House know, it is questionable if legislation ever really gets to the causes of crime at all and, if it does, it is even more questionable if it is criminal legislation that does so. Crime has broad roots, and obviously through legislation we can hardly grapple with crime in all its aspects. Yet this bill does come to a very realistic treatment of at least the effects of crime in our society today, and certainly proposes some solutions for the problems that we face.

What is important about the legislation is that it adjusts our criminal code still further to social change. If there is anything that is important about the law—and many things could be said to be of importance about it—perhaps the most important thing of all is the fact that law must constantly reflect the society that it has to govern. Law is not something that just comes from the sky; it is some-

thing that has to be worked out by people as the best rules to govern the conduct of people in society. That is more important in the case of criminal law than in any other form of law, and it is most important that that law keep constantly in touch with changes in society.

I think we have often come to think in recent years that changes in law following changes in society usually mean the loosening of law. That is often the case. We have seen changes in that direction and we have seen areas in which the criminal code has retreated, and undoubtedly we will see more of those. But as our life changes and becomes more complex we will also see many ways in which the law will become more restrictive. For instance, with the coming on the scene of the automobile we have had to develop a whole new class of laws that we have been strengthening in recent years, and here I mention laws to deal with intoxication while driving. Similarly with respect to the increasing prevalence of weapons, perhaps more important, with the increasing sophistication of weapons, it is necessary for us to adjust our laws.

Here we have a new measure in Bill C-83 which is largely restrictive in its application. Nevertheless it is highly justified on the basis of necessary adjustment to social change. I join those who have already congratulated the two ministers on having introduced this legislation. It is in general an excellent piece of legislation.

I really intended to speak largely about the matter of electronic eavesdropping, but I am glad to see the hon. member for Calgary North (Mr. Woolliams) has returned to his seat because I would like first to make a few comments about his address. I found his address so discursive and so disturbing that I decided I had to devote my initial remarks to some of the questions which he raised. I might have been tempted to refer to his speech as being marked by a scattergun approach if he had not himself presented us with a better metaphor this afternoon when he spoke about the tumbling mustard plant which is a native of the west, the one that spreads its seeds around. Certainly he spread a lot of seeds around this afternoon but I do not think any of them will germinate, because they are dead.

One thing that was especially lacking in his approach was his attempt to blame so much of crime—in fact one had the impression he blamed all crime today—on the federal government. It does not require a very sophisticated criminal law theory to adjust to the fact that there is shared responsibility in the law in Canada. The administration is largely under the control of the provinces even though much of the criminal law is made by the federal government. In fact if the hon. member were to care to look at his own province of Alberta I think he would find that there has been a large increase in crime in that province in recent years, probably larger than in many other provinces.

When governments are involved, we have to take provincial governments into account as well as the federal government. Actually as the hon. member for New Westminster indicated so well, the fact is that law, especially criminal law, is only one of the means of dealing with crime. Crime is a subject which cannot be wholly embraced by law and certainly not wholly in its causes.

The main point made by the hon. member for Calgary North was that the bill should be severed. I was quite mystified by this for a few minutes, but then I realized that the official opposition really has not changed a bit. We on this side have been expecting great new things as a result of their leadership convention.

● (2110)

An hon. Member: Tell us about your leadership convention.

Mr. MacGuigan: I would be glad to give a speech on leadership at any time. You need it.

Mr. Epp: Go ahead, tell us all about it.

Mr. Muir: Tell us about Dr. Smith.

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Windsor-Walkerville (Mr. MacGuigan) has the floor.

Mr. MacGuigan: Psychiatrists are obviously needed, judging by the comments I am hearing from the other side.

Mr. Muir: That is why they have one at the head of the Liberal party.

Mr. MacGuigan: With all the great questions facing us, the reason why the hon. member for Calgary North (Mr. Woolliams) concentrated on this question of severing the bill into its various parts was because this is apparently the only matter on which the opposition can agree.

Mr. Guay (St. Boniface): Careful what you say, Mark. Joe is here.

Mr. Muir: Now we know why Smith beat the hell out of you.

Some hon. Members: Hear, hear!

Mr. MacGuigan: I just felt I had to come back because there is so much to do in this House, as the opposition is proving.

Some hon. Members: Hear, hear!

Mr. MacGuigan: But I found the speech of the hon. member for Calgary North disturbing for none of these reasons. I found it disturbing because he was suggesting that for reasons of conscience the bill should be split. There was an undercurrent to his whole speech that there was a natural right to bear arms. He never squarely said this—he never squarely said anything in his speech—but it was implied. There was this undercurrent, a feeling throughout the whole of it that we had to protect the sacred natural right to bear arms. If that is to be the line the opposition takes in the House on this bill, this is going to be a very—

Mr. Alexander: Mr. Speaker, on a point of order, usually the hon. member gets right to the point of every bill, and I am a little shocked that he is straying in such an unacceptable way at this time. We are dealing with Bill C-83, and I hope he gets to the bill in the next minute or so.

Measures Against Crime

The Acting Speaker (Mr. Turner): I suggest to the hon. member for Hamilton West (Mr. Alexander) that that is a point of debate and not a point of order.

Mr. MacGuigan: This is the first time I have ever seen the hon. member for Hamilton West (Mr. Alexander) shrink from politics. Perhaps he should take advice from his provincial counterpart.

Mr. Epp: You know all about provincial politics, don't you?

Mr. MacGuigan: I was talking about this unfortunate undercurrent, and I was saying that if this is going to mark the speeches of opposition members on this bill, this is going to be a sorry day for the Conservative party as well as for debate in this House.

Mr. Epp: Look at your own house and what is left of it.

Mr. MacGuigan: I not only have my own conscience. I have to worry about you people too.

Mr. Coates: We don't need you as our conscience.

Mr. MacGuigan: The theory of the right to bear arms is not a Canadian theory; it is not a British theory; it is an American theory, and it is part of the most revolutionary aspect of American life, the one part of American life which has been rejected by all Canadians looking at the United States from the very beginning of our history. We can say that we are not Americans because we refused to share that tradition. If that is the kind of argument hon. members opposite are going to make against this bill, if they want to have that kind of alien importation of American philosophy and to strike at the British and Canadian tradition—which members of their party have been so proud to uphold over the years—then I am very worried about the course of this debate.

Some hon. Members: Hear, hear!

Mr. MacGuigan: Just to refer to the various kinds of control which are provided by this bill with respect to firearms, I might mention providing stiffer sentences for most crimes involving guns, the permitting of police seizure of weapons which are likely to be used in an offence—which I think will prove to be a very valuable power—tighter regulations concerning both restricted and prohibited weapons, and perhaps the centerpiece of all these measures, the licensing of all gun owners and gun dealers. That is really the heart of the legislation.

In addition to that there is the program of the recall of all unwanted weapons and the program to promote greater legal responsibility for those who possess weapons. However, the heart of all this is the licensing of gun owners and gun dealers.

The kinds of arguments we heard this afternoon from the hon. member for Calgary North are really not very effective arguments with respect to gun control. Most Canadians today will agree that it is just as important that guns should be as controlled as automobiles. If uncontrolled both are dangerous things, and guns are much more dangerous than automobiles.

[Mr. Alexander.]

I do not think anyone can successfully make the argument before the Canadian public or this House that guns should not be subject to some form of licensing and that gun owners should not have to show a certain responsibility before they are given the privilege of using firearms, and it is indeed, a privilege. In Canada it is not a natural right. I do not know what the hon. member for Calgary North hoped to prove by repeating the phrase one gets from U.S. extremists that when guns are outlawed, only outlaws will have guns. I do not think we should have that kind of argument being used to oppose this bill. That will not win very many supporters for the hon. member who makes it.

I also want to say some words about the wiretapping provisions of the bill. When we approved the protection of privacy bill some years ago—1974 was the year the bill was proclaimed—the votes at that time indicated that most hon. members of this House believed that wiretapping was necessary in view of the increasing sophistication of criminals and criminal activity in our country. There seems to be no other way by which the police can be effective in dealing with criminals except through the use of devices which are of this degree of sophistication. However, even used by the police, wiretapping is somethng which is dangerous. It is sufficiently dangerous that it requires an unusually careful balancing of interests every time it is allowed, even when it is carefully controlled by law. It must be very carefully controlled and very carefully restricted so that it is always used in the public interest and does not get out of hand.

As chairman of the Standing Committee on Justice and Legal Affairs I may not have as much opportunity as I would wish in the forthcoming debate in the committee to express my viewpoint on this, so I want to do so here this evening, first with respect to the notice provision. We had an indication here from the minister today, and indeed from our general awareness of what is going on, that the police consider a problem to exist because of the provision that notice must be given to a person who has been wiretapped 90 days after the wiretapping is completed—after the investigation is completed, to put it more accurately—and that this is unduly hampering the police.

Although I have never seen it put this way, I suppose one might say that the exemption provisions which allow a judge to defer giving the notice, while they are broad enough to allow continuing investigation, are not broad enough to provide for continuing suspicion. I have some reservations about allowing notice to be deferred when we are proceeding only on the basis of continuing suspicion and when the investigation is actually finished. Yet we know there are people in our society who are sufficiently borderline in their activities that a particular investigation may be concluded by the police—and by any reasonable test the police might have to say before a judge that that investigation was completed—but they would not want to have notice given to that person to make him aware in a very direct way that he was being watched by the police. Perhaps we will have to take all this into account in committee. I have an open mind on it at the moment. But even if there is a problem not taken into account by existing law, that does not necessarily mean that no notice at all should be given. Perhaps the law could be changed in other ways, to require notice still in some circumstances.

● (2120)

Mr. Woolliams: Mr. Speaker, will the hon. member permit a question? Would the hon. gentleman, who was a distinguished dean before coming to this House, not agree that the judge who grants leave to wiretap should also be given the right to extend or abridge the time? Would this not be better than having the Minister of Justice (Mr. Basford) abruptly suggesting or requiring that notice be repealed?

Mr. MacGuigan: Mr. Speaker, I am pleased to be able to agree with the hon. member for Calgary North despite what I said earlier. I have considerable respect for his legal ability, and the action he proposes might be successfully embarked upon. Perhaps it would be better not to restrict notice to the judge who gave the original order, but that would be one way of solving the problem.

Another way would be to allow any judge broader powers for deferring notice. Now he must require that notice be given, except when the investigation is still continuing. Perhaps his power should be broadened so that the police can receive authorization not to give notice even over a long period of years. That might provide the protection they need. I fear that if we do not enact provisions which will provide the police with effective legal procedures for wiretapping, either they will not use wire-tapping, in which case there may be more criminal activity or, worse, they will resort to illegal wiretapping.

My second area of concern is with respect to the specification of crimes. I am prepared to listen to the government's case in committee, but I have in mind that the present law is the result of a motion moved by a government member in 1973. As I recall the vote, the motion carried 206 to 26 in favour of the existing law. However, as the minister said this afternoon, we must keep the law under constant surveillance to see that it adequately meets the needs of the times. If necessary we could bring in another amendment which would add more specific offences, rather than proceed with what is proposed at present, but if there is a case to be made for total coverage, I am prepared to listen.

I am especially concerned about government proposals with respect to derivative evidence. If the present law banned such evidence I would not feel quite as I do; but the present law does not ban the use of derivative evidence. As a result of a government motion, which carried 115 to 114 on December 4, 1973, we gave a judge power, in cases where the judge thought it was in the interest of justice, to allow derivative evidence to be presented in court. This was a reasonable compromise among the various positions. Some wanted any form of illegally obtained evidence to be available in court, even the direct evidence of the wiretap. On the other hand some would have extended the ban both to direct evidence and to all other evidence obtained from so-called indirect or derivative evidence.

In 1973, when the law was put in its present form by parliament, we gave the judge power to admit secondary evidence. Although there was a general rule against the admission of derivative evidence, we gave the judge power to make exceptions to that rule. Really, we did not give him much guidance in the legislation, and the matter was left to his complete discretion. It was in the sole discretion of the judge when such evidence was to be admitted as evidence. I voted in favour of the proposal at the time because I was concerned about the alternative.

It had been drawn to our attention, I believe by the NDP attorney general of British Columbia, that if we suppressed all such derivative evidence we would not be able to deal with a case in which the original, illegal wiretap had been undertaken, not by the police, but by some criminal group. If one criminal group listened to the conversations of another and the wiretap fell into the hands of the police, the police would not be able to use the wiretap taken by the criminals. That would have restricted investigatory procedures. Also, if the police were wiretapping for one crime, say a lesser crime, and in the course of the wiretap discovered evidence of a much more serious crime, like murder, the police would not be able to use such evidence. It would seem that the police would not have the legal authorization to do so. It was argued that if there were such a discrepancy as between two crimes, the police should be allowed to use evidence so gathered. For these reasons we gave the judge discretion.

I might say that my bias is strongly in favour of keeping that discretion with the judge. As the minister said this afternoon, one of the lynch pins of this legislation is judicial supervision. I think he was probably talking about judicial supervision with respect to wiretap authorization, but we should go further, since throughout the bill judicial supervision is an important aspect of our present way of controlling police action.

The minister suggested that one reason for changing the law is that the present rule produces delays at trial and exclusion of evidence. I am not particularly concerned about the exclusion of evidence. Delays at trial are a problem, but I do not think that they should weigh very heavily in the balance against the result if we gave the police carte blanche.

If the police are not wiretapping illegally, there is no need to amend the legislation. If they are wiretapping illegally, then we in this House want to know why. We do not want to give them any protection or encouragement in that regard, or allow them to use evidence obtained in that manner.

We have set out rules which allow the police to obtain evidence by electronic means. They are adequate, perhaps generous, for law enforcement purposes. If we were to allow the police, in cases when they do not follow laid-down procedures and obtain evidence illegally, still to get the fruits of those illegal procedures, we would make a very serious mistake. The matter at stake is not a small one.

The existing legislation provides for judicial discretion, and explicitly says that when there has been a mere mistake in procedure in obtaining authorization, such as when the police think they have obtained valid authority but have not, such a mistake is not to count against the police. That is not the kind of illegal wiretapping about which we are thinking. We are thinking about the case when the police decide not to apply for an authorization, by-pass the law and spurn the law and this House. We do not want to allow the police to act in that way.

I hope illegal police wiretapping is not a problem. If it is not, I am not sure that the reason advanced, namely, that to avoid delays at trial, is sufficient to offset the considerations on the other side. We are dealing with the protection of the public from injurious action by the police. The public need to be reassured that the police, their guardians, are themselves acting according to law.

We are all very much concerned about protection from criminals, and we have substantial apparatus for doing that. But if we cannot also be assured that the people who are protecting us from criminals are not themselves taking advantage of us, we shall have put ourselves in a most unfortunate position.

The Minister of Justice has given comfort to those who have reservations about the bill by observing that he will listen attentively and with an open mind to what is said in the House and in committee. We shall all be interested in pursuing a fruitful dialogue with him on these matters.

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I cannot think of a better time to debate the government's proposed peace and security legislation. The members of my party welcome the opportunity to discuss this legislation and to discuss the kind of law necessary for restoring the confidence of our people in law and order.

● (2130)

In these days law and order are giving a good many Canadians a great deal of concern. One of the things we, as Canadians, have been proud of is that we have one system of justice that applies to everyone in this nation. As far as justice is concerned there are no second class citizens. What has given me concern, as I am sure it has most members of this House, especially those trained in the law, is the indication that there may have been some interference with the way that justice is administered in this country, and that there have been moves by members of this House that in effect bring justice into disrepute. In their minds Canadians are concerned that there are two sets of laws in this nation, one for some members of parliament and one for all other Canadians.

Some hon. Members: Hear, hear!

Mr. Coates: That just is not good enough. It is not good enough for any member of this House. It is certainly not good enough for any member of the Progressive Conservative party in this country.

Some hon. Members: Hear, hear!

Mr. Coates: As I said earlier today in reply to the Minister of Transport (Mr. Lang), who for some reason decided that he is the fountain of all wisdom and justice in this country, even in excess of that now available to the present Minister of Justice (Mr. Basford), there are two forms of ethics as far as law in this country is concerned.

As a member of this House for close to 18 years, and having been trained in the law, I appreciate that there is absolutely no way, especially for a man trained in the law, under any circumstances to telephone a judge who is deliberating on a case, even so much as to ask when he is going to render his decision, because it may be presumed

that in some way you are interfering with his very real responsibilities.

Let me say something about judges. They are very lonely men. They are lonely because they assume a very special and sacred responsibility, to administer the law. They have no one to whom they can turn. In this particular instance Justice Mackay would not even have had the knowledge that is available to the public in his special privileged writings to the Minister of Justice if it were not for some chance that the information became public. What greatly concerns me as a member of parliament is how many other times that we do not know about when some judge in this country was contacted by a member of the executive and had something suggested to him, as the Minister of Public Works (Mr. Drury) said, to get him straightened out as to the facts.

Some hon. Members: Hear, hear!

Mr. Coates: There is only one way that any individual, be he a member of this House or anyone else, to get a judge straightened out as to the facts, and that is to take the stand in a courtroom and tell him what the facts are in his mind. That is the only way we can have a system of justice in this country.

Some hon. Members: Hear, hear!

Mr. Coates: I want to say to the hon. member for Windsor-Walkerville (Mr. MacGuigan) that even though at one time he may have been dean of a law school, he should not come into this House and try to be the conscience of the Progressive Conservative party.

Some hon. Members: Hear, hear!

Mr. Coates: Earlier today the hon. member for Calgary North (Mr. Woollians) said the foundations for the judicial system and penology of this country were laid by the Diefenbaker administration, in particular by the Hon. E. Davie Fulton who, for a long time, gave great lustre to the role of Minister of Justice. He gave us the foundation on which we are trying to build today.

Some hon. Members: Hear, hear!

Mr. Coates: Indeed the parole system on which the Minister of Justice is today endeavouring to build in order to give people peace and security was the creation of the Hon. E. Davie Fulton when he was Minister of Justice. It was a tremendous achievement, and it can be a tremendous achievement in the future to bring peace and security to this nation. However, we have to build in a constructive, not destructive way. The hon. member for Calgary North today stated some of the reasons why he feels this legislation is not adequate to handle the job we feel has to be done if we are to have law and order and protection for the public.

Some hon. Members: Hear, hear!

Mr. Coates: The hon. member for New Westminster (Mr. Leggatt) pointed out the biggest gap that exists in this legislation when he said you would not even think there is a drug problem in this country, However, our penitentiaries are filled with people involved in one way or another

with drugs. This is one of the major problems facing the country today. Yet, as he says, we have nothing. I cannot imagine why this is being left out because it is one of the most serious problems we, as a parliament, have to grapple with if our children and their children are going to be able to live without the danger inherent in the drug trade as it exists today and without the major crime being created by drugs. We cannot walk away blindfolded as if it does not exist, any more than we can walk away from the two systems of justice that appear to be in existence at this moment in time in Canada.

Some hon. Members: Hear, hear!

Mr. Coates: There is a lot of concern about certain aspects of this legislation. I want one fact to be clear. The hon. member for Calgary North never left the impression with me or any other member of this party that he was opposed to gun control, an impression which at least one member tried to give. There is no way that this party is against gun control. What we are in favour of are realistic controls, if they are possible to perceive, that will give to those who use guns the right to continue their sport without at the same time building up a bureaucracy that takes away the kind of freedom that the government over and over again has taken away from Canadians.

Some hon. Members: Hear, hear!

Mr. Coates: An article in the Truro *Daily News* points out that Canada has no gun control at the present time except for that in the Criminal Code and which the government has not done very much about until now. It states that Japan has the tightest gun control of any country in the world, yet there is in Japan as much crime and unlawful and disorderly conduct as in Canada. Therefore let us not feel that this is a panacea for curing the kind of crime we face today.

The minister suggests that crime in Canada is under control. Well, Mr. Speaker, if crime is under control here, everybody is in trouble! Crime is growing at an unprecedented rate in this country and much of the blame lies at the feet of the government for ignoring the problems of crime for so long—indeed, up to the day on which it brought in this legislation.

● (2140)

The Solicitor General (Mr. Allmand) has done no one a favour by running around with his statement, associated with capital punishment, to the effect that if we do not play his game in the way he would like us to, he will pick up his toys and go and play by himself. Mr. Speaker, for the sake of law and order in this country the best thing which could happen would be for the Solicitor General to pick up his toys and go and play by himself somewhere else. What he has done to the morale in the penitentiary service is—

Mr. Alexander: Criminal?

Mr. Coates: The hon. member for Hamilton West says it is criminal. It is almost criminal. One needs only to talk to any employee of the penitentiary services, and I have a great many of them in my constituency. What bothers me is the attitude of those employees today compared to what it was when Davie Fulton was Minister of Justice. It bothers me to go into those penitentiaries and see what is happening there today as compared to the time Davie Fulton was Minister of Justice.

Today there is absolutely no discipline in our criminal institutions. The reason most people find themselves in those institutions is because they cannot face the discipline of society. But they go into those institutions today and find there is no more discipline there than there is out in the streets. As a result, barely are they out once more on the streets than they are back in the penitentiary again. There is a complete failure when it comes to rehabilitation in our penal system and this is mainly because we have ignored the fact that discipline is needed in order to convince inmates of our institutions that they do not want to go back there.

Since the hon. member for Calgary North and my new leader are both from Alberta I want to point out that one of the most realistic pilot projects in penology exists in the province of Alberta at the present time. They have said to people who transgress, to those who have done material damage to their fellow citizens, "You are not going to the penitentiary to lie around; you are going to work and compensate those to whom you have done damage." I cannot think of a better form of rehabilitation than to put some of these guys to work and make them pay the bills thay have run up. If they have to make amends in that way they will not want to make a second trip nearly as fast as they do today when things are almost as good inside the penitentiaries as they are outside. Indeed the food is probably better. The Solicitor General was even going to pay them unemployment insurance. I suppose the government might still pay them all unemployment insurance; almost everyone else in the country is getting it as a result of the economic policies, or lack of them, for which the government is responsible.

It is imperative that we get back to the realism Davie Fulton showed when he was Minister of Justice trying to build up a system which would make it unlikely that many of those who entered the institutions would wish to risk returning to them. We have not been getting such a prospect since the present administration took office.

Davie Fulton probably built more new penal institutions than any Minister of Justice in the history of this nation. One of the concepts which he introduced, the one which impressed me most, was that of minimum security institutions, which were really nothing more than what one might call work camps. There were no bars, no walls, no guns worn by the guards or correctional officers, whatever they were called. One of the first of these institutions was constructed at Springhill in my constituency shortly after the disaster there. It was one of the finest contributions to rehabilitation which existed. But the present government did away with all those institutions. They were not part of its program. In fact they were the least costly way of housing prisoners.

The decision to do away with them was an unfortunate one; it happened because there were a lot of negative thinkers sitting around on the treasury benches. They thought it would be a good thing to save a few dollars by shutting down those institutions. Mr. Speaker, from the

taxpayers' point of view it was a most costly decision, as evidenced by the crime situation which confronts us today.

When the minister tells us crime is under control, I ask him this: when were ten people murdered in any city in this nation in any other period but this? Yet this happened a week ago in the City of Montreal.

Mr. Woolliams: Ten over a weekend.

Mr. Coates: These things have been happening because the government has failed to give leadership along the road to better rehabilitation processes and a more realistic approach to penology. We must get back there. We are as willing as any group of individuals in the House to help the country get back on that road, and we shall co-operate with the minister in any way we can to improve this legislation. There is no doubt that the legislation needs improvement. For instance, in the area of gun control there is one clause which suggests that if a gun is stolen from an owner and is used in the commission of a crime the owner must be made responsible or a party to the crime in question. Just how ridiculous can you be? The situation we then face is that if a car is stolen and used later in the commission of a bank robbery, the person whose car was stolen could be regarded as a party to the crime.

If parliament wishes to see the legislation improved I can think of no reason why we should not be able to come up with a package which everyone finds acceptable. After all, every member of the House wishes to have the best possible laws on our statute books to protect all Canadians.

● (2150)

The hon. member for South Shore (Mr. Crouse) has drawn my attention to another section which provides that everyone who has a weapon in his possession while attending, or on his way to attending a public meeting is guilty of an offence punishable on summary conviction.

Mr. Guay (St. Boniface): On his way to a Conservative party meeting.

Mr. Coates: I would say it would be a meeting of the sort we have these days in the province of Quebec, and probably in the city of Quebec.

Mr. Guay (St. Boniface): They are very convincing.

Mr. Coates: Well, I do not know whether the Prime Minister (Mr. Trudeau) is very convincing. I have watched him in the House for quite a while, and the way he was holding the podium the other night made me think he was going to jump through the television screen. If that is convincing then all I can say is that it is a new form of convincing.

Seriously, what type of meeting has the minister in mind here? If a person is carrying a concealed weapon for a number of clandestine reasons and goes to a meeting surely to goodness this should not be dealt with on summary conviction but should be an indictable offence.

In effect, the government is saying that it has to control guns because guns kill people. In this section it is saying that carrying a gun is no more serious than a speeding offence. I suggest we get our priorities straight. Many facets of this legislation will require a lot of examination and probably a lot of amendment before the package is perfect.

As the hon. member for New Westminster (Mr. Leggatt) pointed out, there is nothing in the bill to deal with drug offences. I do not know whether the Minister of Justice, the Solicitor General, or the Minister of National Health and Welfare (Mr. Lalonde) will be responsible for drug legislation, but will they please tell us, so we know who it is, and that something is being done about the problem. As I say, there is absolutely nothing to deal with the use of drugs in this peace and security legislation.

We all know that drugs are being sold and used in the penal institutions of this country and are responsible for most of the trouble in those institutions. It is a serious problem, one we should be made fully aware of before we are even asked to vote on this legislation. We must know exactly what the government is going to do about all aspects of crime in the nation. Perhaps it just wants the legislation to be cosmetic so as to please the great majority of the people who never see or handle a gun. By telling them that the government is going to put on controls, and do this and that, it hopes things will be a lot better in this nation. I suggest that gun control is not going to stop the crime in our streets at this particular time. Rather if we control the use of drugs we will be a long ways down the road to stopping crime. As I say, we had better hear something about this from the government before the legislation comes back to the House and is voted on.

This is one reason why I think the members of the House should examine the amendment proposed by the hon. member for Calgary North. It is a sensible amendment. Many people are upset about this legislation because they have not had the opportunity of placing their positions before the government and the public so far as amendment of the law is concerned. From this point of view, if the bill were sent back to committee and the government's program to control drugs were revealed and explained to the public, we would be in a much better position to make a decision about the value of the total package we are now being asked to consider.

In conclusion, Mr. Speaker, let me say we must look seriously at some of the rehabilitation programs that have been proposed and which are underway within the penal system. I have before me a petition signed by hundreds of constituents of mine who live in an area called Apple River. The penitentiary service has endeavoured to carry out a project in that area with a private company, and has frightened and alarmed the people of the community. They are frightened and alarmed because no one told them of the danger inherent in such a program. Suddenly things started happening that presented a danger to the residents of the community.

As a result of this the people in the area called a meeting and asked to have the program withdrawn because of the dangers and risks it posed to them. Then at last the officials met with the people, who up until then were told nothing of the program. When people in a small community suddenly start facing inmates on the loose, naturally they become fearful. That is no way to carry out a rehabilitation program, and there are too many programs of this type under way at present. The Canadian penitentiary service must work with the people if they want to get

things done in that area. That has not been the case, but it must be the case in future if we are to have acceptance on the part of the public of the kind of rehabilitation programs the government wants to put into effect.

[*Translation*]

Mr. Lachance: Mr. Speaker, if you permit me to call it ten o'clock, I will be able to make my speech tomorrow.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

REGIONAL ECONOMIC EXPANSION—SUFFIELD COMMUNITY PASTURE—REQUEST FOR PERMANENT OPERATION

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, in this adjournment debate I wish to continue the discussions I have already had with the Minister of National Defence (Mr. Richardson) relating to the recent decision of the Department of National Defence that "grazing should not be permitted in 1976 and possibly for several years thereafter", that is, in the Suffield PFRA pasture near Medicine Hat.

● (2200)

On February 19 I addressed a question to the Minister of Regional Economic Expansion (Mr. Lessard) based on a most unfortunate and irresponsible press release issued by wildlife and fish and games interests in Alberta, the first sentence of which reads as follows:

> The native grasslands of the Suffield Military Reserve, approximately 1,000 square miles of what was once one of the ecologically most valuable natural areas left in North America have been almost totally destroyed by the mismanagement of the Canada Department of Agriculture, Department of National Defence and the PFRA administration.

In my opinion it was sentiments such as this quotation, essentially from environmental and wildlife interests, that were instrumental in influencing the Suffield base commander to recommend to the Minister of National Defence that PFRA pasture grazing should cease. In doing so the Minister of National Defence chose to reject the very practical recommendation of his cabinet colleague, the Minister of Regional Economic Expansion.

In essence the PFRA report stated that there has been no unalterable damage done to the ecology of the range, although there is some damage; that PFRA could improve conditions with better distribution and more uniform grazing, with increased watering facilities, but this requires extra financing which is presently not available under the temporary operation of the pasture.

PFRA recommends that under the strict terms of reference for use of the Suffield pasture—that it only be available under emergency drought conditions—no grazing be permitted because of the excellent growth here in 1975 but that, if required, the pasture could operate this year with reduced numbers of cattle.

This latter suggestion is a sensible recommendation that any cattleman can support as it is a policy he would follow on his own pastures; I mean by that he would make the cattle numbers fit the available grass.

I submit, Mr. Speaker, that these PFRA recommendations were prepared by agronomists like Dr. Bob Lodge and PFRA director Walter Thomson who have a history of over 40 years of PFRA pasture administration to back up their practical knowledge and experience.

I take some considerable pride in pointing out that PFRA has always agreed with my personal view since serving in this House that the emergency drought term of usage is ridiculous in determining if the Suffield pasture shall be used on a year to year basis.

Surely now is the time to establish a policy of an ongoing permanent pasture so that proper management, with adequate financing, can develop sufficient watering facilities and good range management. It does not follow that a permanent pasture will permit indiscriminate grazing with excessive cattle numbers. Cattlemen ranchers are by nature the very best conservationists. Their long-time livelihood depends on their understanding of and co-operation with nature.

Production of short grass on the Suffield pasture is the highest and best use of these lands and the multiple use concept of these lands by cattle, wildlife—including rattlesnakes—and even gas wells, is a long established land use principle that must continue to be recognized.

We are not so desperate yet for food that the Suffield pasture should be stocked completely with deer and antelope—and no cattle. Cattle and sheep are much more efficient converters of grass to meat. The Suffield pasture will support approximately 5,000 head of breeding cattle—I refer now specifically to the PFRA pasture—at a maximum quota of 20 head per patron, and that means some 250 farmers, all small cattle producers, will be severely affected by this order.

Since this entire area is primarily a ranching or grazing area these local farmers have not been able to take advantage of better grain markets, whereas cattle markets currently leave much to be desired.

I know that the minister and his parliamentary secretary are very well aware of this situation. I would ask the minister to consider again the recommendations of the PFRA staff and confer with his cabinet colleague, the Minister of National Defence, to work out some sensible compromise solution that will permit the Suffield pasture to operate this year perhaps on a limited basis. At least it should continue to operate. The good public relations that would accrue to his department, and indeed to the Department of National Defence, would be well worth while.

I want to point out that the use of the main Suffield area by the United Kingdom for tank training is now in its sixth year of a 10-year contract. I suggest it is not too early to begin to establish a policy for the future use of this 1,000 square mile area. I further suggest that the government of Alberta should be foremost in these future policy deliberations if only because the lands are, after all, Alberta lands, overlaying one of the largest proven natural gas fields in

the world, now just beginning to be developed by the people of Alberta. In closing I wish to remind the minister of the petition he has received from 29 cattle producers along the south side of the Suffield Pasture.

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, it would seem that the hon. member in reality was addressing his remarks tonight to the Department of Regional Economic Expansion. It may have been that he expected my colleague, the Parliamentary Secretary to the Minister of Regional Economic Expansion (Mr. McIsaac), would be here tonight. My information was that the question was directed to the Department of National Defence. If there has been a mix-up in that regard I apologize to the hon. member, but it is certainly no fault of mine.

The hon. member stated that he was making his proposal in the utmost sincerity. I want to assure him that there is no doubt concerning his sincerity in respect of the case he is putting forward. I do not have very much information to add. My minister dealt with this problem during the question period and again last week during the adjournment debate. During the course of that debate, as recorded at page 11450 of *Hansard*, he stated:

> The Suffield range is held by the federal government primarily for military training purposes. The range can, however, be of very real benefit to cattlemen in the area, particularly in times of emergency and in periods of drought, as it has been in the past. It seems to me it would be best for all concerned, including the cattlemen, if the range is kept as a reserve for emergencies, as in the past, and not used for grazing on a continuous basis. If the range is used each year for continuous grazing there will be no extra pasture available during periods of drought.

Later on in the same answer he said:

> ... I see no reason why we should not give full consideration to re-opening it in future years in special circumstances, as we have done in the past.

I wish to emphasize that the Suffield range is held by the Department of National Defence primarily for defence purposes. The decision with regard to the disposal of the range in the final analysis is a decision of the Minister of National Defence. He has made the decision. The range is and will continue to be administered by the Department of National Defence. His decision for this year is that there will be no use of the range for pasture unless an emergency situation arises.

THE CANADIAN ECONOMY—REQUEST FOR ESTIMATE OF REAL GROWTH AND JOB CREATION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, this debate tonight arises out of a question I put to the Minister of Finance (Mr. Macdonald) on December 16, 1975. At that time I referred to the information brought out by the former minister of finance that in 1975 there would be a real growth in the economy of 4 per cent and that the employment increase in 1975 would be a quarter of a million of new jobs.

The minister on December 16 really did not answer my question. The supplementary question I put concerned what his predictions were for 1976. He stated that the real growth, in his opinion, would be 5 per cent. He said that his aspiration is 5 per cent, but made no comment concerning job creation.

[Mr. Hargrave.]

• (2210)

Just last Friday, as recorded at page 11531 of *Hansard*, the minister was asked further questions by my colleague from this party concerning the economy, and specifically what steps the government is taking to improve the growth performance in the economic sector. I was most startled to read the answers given by the Minister of Finance last Friday because virtually all he did was to read from Statistics Canada, and I can only presume that those statistics have so confused the minister that he does not know the sad state in which we find ourselves in 1976. I think it is good to put this on the record and I hope the parliamentary secretary tonight will shed some light concerning the present attitude of the Department of Finance with respect to the Canadian economy. I suggest that the Minister of Finance appears to be trying to justify the sad economic performance that we have experienced in Canada over the last 18 months. Let us look at the facts.

As I have stated, in November of 1974 the then minister of finance predicted that we would have a 4 per cent real growth last year. In reality it was two tenths of one per cent, and even by December 16, the day to which I referred, the present Minister of Finance would not admit that the government had failed. What is the cost of that failure, what is the cost of not producing a 4 per cent real growth in our economy? It is a loss of $4.2 billion or $420 per taxpayer. That is the shortfall that the government experienced in 1975, and I believe it is time it admitted it to the Canadian public.

If the Minister of Finance wants to read Statcan figures let him tell the public the real truth, namely, that there was a loss of over $4 billion from the projected figures in 1975. To put that in perspective, a $4 billion loss is enough to pay our whole debt interest charge in a year in this country. It would build 111,253 living units in the country, that is, 40 per cent of the total number of apartments and homes built in 1975. That is a colossal shortfall for any government to have within the few short months to which I have referred.

To put it on a per capita basis—I think that is perhaps the most significant figure for the average Canadian—the loss in 1975 was $67 per person, that is, the average person in 1975 compared to 1974 was $67 less well off than he was the previous year. That is Liberal progress. If you want to refer to the decline in percentage terms on a per capita basis, the decline in 1975 was 1.4 per cent from 1974. Now we are told by the same Minister of Finance that there may be an increase of 5 per cent in the current year. But with that 5 per cent increase, if it is achieved, and do not be surprised if it is not, it would mean that in the last two years the real growth on a per capita basis in this country has only been 1.9 per cent over a two year period. Imagine, less than 1 per cent a year in a country with the resources and the vibrance that is ours in Canada.

In the question that I put to the minister on December 16 I asked him about job creation. The previous minister had indicated that 250,000 jobs would be created. In December it appeared that only 123,000 jobs were going to be created, well short of the initial target. Now we have the figures up to date. For 1975 we find that there were only 108,000 new jobs created but, most alarmingly, in the manufacturing sector there was an actual decline of 99,000 jobs in 1975

from 1974. Manufacturing employment is now lower, based on the 1975 average figures, than in any year since 1972 in Canada.

Is it not absolutely shocking that we have a Minister of Finance who only last Friday attempted to justify these figures, indicating that somehow the economy was relativery healthy, and he used Statistics Canada figures to try to justify that proposition? Now perhaps the minister will answer my question, or at least his parliamentary secretary. I should like to know what in fact the job creation reduction for the Department of Finance for 1976 was? What does the department currently believe will be the growth in this country for 1976? And above all, what immediate measures does it intend to take to improve the growth performance of our economy for 1976? The Canadian public deserve some answers. I think the time has ended when the government should be permitted to be less than candid in this House with regard to the state of our economy.

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): Mr. Speaker, on December 16 the hon. member for York-Simcoe (Mr. Stevens) asked a question of the Minister of Finance (Mr. Macdonald) regarding estimates in real growth, and particularly regarding job creation. Up to a point he was quite accurate, but I do not agree with some of the figures he has used. Let me try to put some of the figures I possess on the record.

Canada's job creation and real growth in 1975 have to be considered against the background of severe declines in world economic activity in 1974 and 1975. Real output for the seven major OECD countries as reported in the December, 1975 Economic Outlook declined absolutely by 0.6 per cent in 1974 and is expected to show a decline of 2.25 per cent for 1975. Canada took offsetting action to support output and employment in November, 1974. As the world situation declined even more sharply in the winter of 1974-75, further offsetting actions were taken by Canadian governments in the spring and June of 1975. Even so, Canada's real output slowed and then declined through the first quarter of 1975, mainly because of the decline in Canada's real exports which reflected the severity of the decline abroad.

Canada's real growth and job creation were thus held below our goals and expectations, but even so in both respects Canada's performance was much better than most other industrialized countries. I will give the figures. Canada's real growth between 1973 and 1974 was 2.8 per cent. Between 1974 and 1975 the increase of Canadian real GNP was a fraction of 1 per cent, according to the national accounts released last week. Average year over year employment growth in 1974 was 379,000 and in 1975 about 167,000, and I believe the hon. member quoted 108,000.

Mr. Stevens: How about December to December?

Mr. Trudel: The low point of Canada's economic activity in the recent world recession was reached in the first quarter of 1975. Since then Canadian real output has grown by about 2.2 per cent. In the eight month period from April through December seasonally adjusted employment increased by 214,000. The Canadian economy is at present experiencing a cyclical recovery which should carry on through 1976.

Forecasts of the increase in real output in 1976 are falling in the range of 4.5 per cent to 5.5 per cent, which was quoted December 16 by the minister. Improvement in exports and housing activity, increased real consumer spending, and a modest resumption of inventory stocking are the principal positive factors for real Canadian growth in 1976.

To conclude, there should be considerable expansion of employment, but owing to the continued rapid increase in the Canadian labour force unemployment is not expected to drop sharply in the immediate future.

EXTERNAL AFFAIRS—INDIA—GUARANTEES SOUGHT PRIOR TO RESUMPTION OF TRADE IN NUCLEAR MATERIALS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, in May of 1974 India exploded a nuclear device in the Rajasthan desert. That explosion was a herald of one of the most prolific dangers ever to the perpetrated on this world, and the fact that Canada provided the technology, the tools, and the knowledge with which that explosion was created is something for which we ourselves must remain accountable and for which we must be held accountable in any world court.

● (2220)

Canadians and parliamentarians have every right to expect the government to tell us in specific terms what the government discussed with the Government of India concerning the export of nuclear aid and nuclear technology. These discussions have resumed, and the government ought to be far more forthcoming with information than it was today. I put certain questions on the subject to the Acting Prime Minister on Friday, and to the Prime Minister (Mr. Trudeau) today. I am appalled at the lack of interest and concern they showed about the horrendous, politically suicidal course on which we are embarked. Some months ago I said, when speaking on the subject of Canada's continuing export of nuclear technology, that in today's world:

> Acceptance of a country's word that it will not use our technology to create weapons is a show of confidence which conditions in today's society do not warrant. Faith in a country's avowals of its peaceful purposes, avowals which can be withdrawn at any time, for any reason, amounts to naive gullibility. Trust that any country will prevent materials and knowledge from falling into the hands of criminals and lunatics is suicidal stupidity.

Yet here we are, embarked on further discussions with a country which has already shown bad faith, which has already broken an agreement over the use of nuclear technology. One year ago the British publications, *New Scientist,* said:

> Canada has consistently refrained from committing its sophisticated nuclear energy industry to military purposes, yet it has emerged as a major offender under the nuclear weapons non-proliferation treaty.

Only those who deliberately blind themselves to the obvious continue to deny that Canada is wilfully and knowingly contributing to the increasing likelihood of some future world nuclear catastrophe. I say that because I am greatly disturbed. The Prime Minister, who sent his personal, political adviser to India to discuss the resump-

tion of shipments of nuclear aid and technology to that country, did not care to inform himself 48 hours after the conclusion of those discussions as to the outcome of any accord or agreement entered into. He did not inform himself as to conditions Canada might require India to observe before we entered into the accord. He was too preoccupied with his party's domestic concerns in Quebec to discover what this country was negotiating with another country which had already broken the terms of a contract relating to nuclear matters.

I am appalled. In our own, unthinking way, we may be instrumental in unleashing a nuclear holocaust on this world, yet the Prime Minister does not feel accountable to Parliament or the people of this country, and will not explain the terms of the accord.

As a country we cannot stand apart from such conflicts. We cannot stand apart from international conditions which we have allowed to escalate. We have helped nuclear knowledge to spread in the world. As a country we are responsible for our actions and cannot rationalize away that responsibility. We must meet our responsibilities.

We, as a country, have been very fortunate in the knowledge we developed in the last 30 years in the field of nuclear technology. We have not at the same time learned how to contain the spread of nuclear waste. As long as we continue selling, perpetrating, and spreading across this world the nuclear energy we have without any kind of reference, containment or guarantee, there is only one way open to Canada. That is to place a ban or moratorium on all extension and all effort to spread abroad our nuclear technology, fuels, and capability until such time as there is a world agreement that there will be no further explosion of nuclear weapons. Until there is that agreement, Canada should declare an over-all ban, a total moratorium on the export of its nuclear technology.

[*Translation*]

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the Canadians who would have heard the speech of my colleague from Kingston and the Islands (Miss MacDonald) tonight might believe that their government is totally irresponsible with regard to nuclear technological knowledge transfer and aid to Third World countries, which is not the case. I respect the concern expressed by my colleague, but I strongly oppose the overly harsh words, I feel, she has used, the vagueness of her statements and the fact that those statements entertain the latent fear of every Canadian for the nuclear field, since Canadians have always wanted peace in the world.

[*English*]

The negotiations in New Delhi on safeguards only finished over the week end and officials are now studying the reports received. Nothing seems abnormal in these procedures. In these circumstances it would not be appropriate for me to comment on the course that these negotiations followed. I am sure the hon. member knows that since she referred to the fact that it was only last Friday that she asked her question. Once the report of officials has been studied by the Secretary of State for External Affairs (Mr. MacEachen), he will no doubt wish to answer members questions on this issue.

With regard to the relation between nuclear co-operation and NPT ratification, however, I would like to reiterate our policy. NPT adherence is not an absolute pre-condition to nuclear trade on commercial terms with other countries. Binding international safeguards meeting Canadian standards on Canadian supplies, are, however, such a prerequisite. It is for this reason that Canada has been negotiating with a number of countries.

This is a continuing process, not something that stops one day with a perfect agreement which everybody signs. It is an on-going process which we try to improve according to new knowledge. However, NPT adherence is a precondition for extending bilateral government development assistance resources in the nuclear field. Canada will only make new commitments for extending such bilateral aid—as opposed to completing existing undertakings—to NPT parties.

● (2230)

In the case of India, amended and strengthened safeguards on both RAPP reactors would be a precondition for completing such deliveries as remain outstanding for the second RAPP reactor.

Motion agreed to and the House adjourned at 10.31 p.m.

HOUSE OF COMMONS

Tuesday, March 9, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

SUGGESTION PRIME MINISTER EXPLAIN ATTITUDE TOWARDS QUEBEC—MOTION UNDER S.O. 43

Mr. Roch La Salle (Joliette): Mr. Speaker, pursuant to the provisions of Standing Order 43, I ask the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

Considering that during the last weekend, the province of Quebec, and especially the premier of Quebec, had the very great honour to receive a distinguished guest, the right hon. Prime Minister of Canada; considering the remarks made by the Prime Minister of Canada about the premier of Quebec on the one hand, and about some goals of the government of Quebec, on the other hand, and since in the opinion of several observers and thousands of Quebecers these remarks are qualified as offensive, arrogant, even insulting towards the premier and, consequently towards the whole people of Quebec, I regretfully move, seconded by the hon. member for Hochelaga (Mr. Lavoie):

That this House unanimously deplore such a position on the part of the Prime Minister of Canada and, at the same time, invite him to make a statement so that the members of this House may better understand such behaviour.

Mr. Speaker: Order. The House has heard the hon. member's motion. Pursuant to Standing Order 43, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

* * *

CRIMINAL CODE

PROPOSAL THAT MINISTER BE TOLD CAUSE OF CRIMES IS CRIMINALS NOT GUNS—MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to move a motion concerning an urgent matter requiring immediate consideration.

Since the actions proposed by the Minister of Justice under his public order and security program are aimed at controlling firearms rather than dissuading criminals, and since Canadians want to be protected against criminals and killers rather than against firearms, which are dangerous only when handled by criminals, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House hire someone to explain to the Minister of Justice that criminals, not firearms, commit crimes, in order to prevent the minister from eventually jailing rifles and letting killers roam free, which seems to be the logical outcome of his policy.

Mr. Speaker: Order, please. The House has heard the terms of the motion of the hon. member. Pursuant to the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

* * *

FISHERIES

REQUEST THAT REGULATIONS COVERING SEAL HUNT BE APPLIED MORE STRICTLY—MOTION UNDER S.O. 43

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to move a motion concerning a matter of urgent and pressing necessity.

I move, seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall):

That the House regret and strongly condemn the crusade undertaken by the Green Peace Corps which, through illegal means, seeks to deprive indirectly the fishermen of eastern Canada, and particularly those of the Atlantic region and of Magdalen Islands in Quebec, of part of their income derived at this time of year from seal hunting, and that the government enforce with all due strictness the regulations enacted and promulgated concerning that kind of hunt.

Mr. Speaker: Order, please. The House has heard the motion of the hon. member. Pursuant to the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Mr. Speaker: Since the House gives its unanimous consent, I shall put the motion. Seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) moves:

That the House regret and strongly condemn the crusade undertaken by the Green Peace Corps which, through illegal means, seeks to deprive indirectly the fishermen of eastern Canada, and particularly those of the Atlantic region and of Magdalen Islands in Quebec, of part of their income derived at this time of year from seal hunting, and that the government enforce with all due strictness the regulations enacted and promulgated concerning that kind of hunt.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

● (1410)

[*English*]

Mr. Leggatt: Mr. Speaker, I rise on a point of order. An indication was given by Your Honour that this motion was agreed to unanimously. Am I correct?

Mr. Speaker: Order. Unanimous consent pursuant to Standing Order 43 refers only to the presentation of the motion. I had asked whether there was unanimous consent that the motion be presented pursuant to Standing Order 43, and it was my impression that there was no disagreement with that; therefore, I presented the motion. However, if in the commotion that usually surrounds such motions I overlooked any hon. member who either now identifies himself or who distinctly heard another hon. member withhold his unanimous consent, I stand to be corrected and the motion ought not to have been put.

Mr. Leggatt: The motion ought not to have been put, Mr. Speaker.

Mr. Speaker: Evidently the hon. member makes it clear that the unanimous consent of the House was not forthcoming, and therefore that motion ought not to have been put.

* * *

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

REQUEST THAT PRIME MINISTER APOLOGIZE FOR BEHAVIOUR IN RECENT VISIT TO QUEBEC—MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, pursuant to the provisions of Standing Order 43, I should like to present a motion.

As the federal government exists owing to the express will of the provinces, and as each one of them wants to keep its identity and integrity, and as the contempt and demagoguery expressed by the Prime Minister over the weekend toward Mr. Robert Bourassa were a direct attack on the Quebec premier and an indirect one on all provincial premiers, I move, seconded by the hon. member for Villeneuve (Mr. Caouette):

That the House request the Prime Minister of Canada to make a public apology in order to prevent that regrettable incident from having untoward consequences.

Mr. Speaker: Pursuant to Standing Order 43, the motion cannot be put without unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

[Mr. Speaker.]

Some hon. Members: No.

Mr. Speaker: As there is not unanimous consent, the motion cannot be put.

ORAL QUESTION PERIOD

[*English*]

ADMINISTRATION OF JUSTICE

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—BASIS ON WHICH CONSUMER MINISTER ASKED MINISTER OF PUBLIC WORKS TO APPROACH JUDGE HUGESSEN

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I want to direct a question to the Minister of Public Works who must realize that his answers in this House last Wednesday, as reported on page 11457 of *Hansard*, have put him in an extremely difficult position as a member of the House and as a senior member of the government. Yesterday the Minister of Consumer and Corporate Affairs refused to answer questions about conversations between himself and the Minister of Public Works. Would the Minister of Public Works now tell this House on what basis the Minister of Consumer and Corporate Affairs asked him to approach Mr. Justice Hugessen?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I support entirely and follow in the footsteps of my colleague the Minister of Consumer and Corporate Affairs. I am somewhat surprised that the hon. gentleman does not accept that conversations between members of the privy council are privileged.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—PRIME MINISTER'S POSITION ON REFUSAL OF MINISTERS TO ANSWER

Mr. Joe Clark (Leader of the Opposition): A supplementary question, Mr. Speaker. I would suggest that the ministers get together on their excuses. The Minister of Public Works is claiming privilege. Yesterday the Minister of Consumer and Corporate Affairs was claiming that the reason for his not answering was that the matter was before the courts, I suggest a spurious reason. May I ask the Prime Minister whether he accepts either or both of these dodges as a means of keeping from the House of Commons information that the House of Commons should know about the potential involvement by intervention by ministers of the Crown in decisions of members of the judiciary respecting matters that are before the courts. Does the Prime Minister accept the reasons which have been given for refusing to answer questions by either the Minister of Public Works or the Minister of Consumer and Corporate Affairs?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I answered this question in great detail last week, when I answered many, many questions. I could rehearse the answer once more, if the Leader of the Opposition wants to hear it. I have heard from the three ministers who were mentioned in Justice Mackay's letter. I consulted myself,

since he also saw fit to mention me as perhaps being guilty of some form of contempt.

Mr. Fairweather: And how did the consultation go?

Mr. Trudeau: I listened to their version and feel that their explanations indicated clearly that they were not attempting to influence in any way the judgment of the courts. I have said that if the courts feel otherwise it is up to them to pass this information on to the Minister of Justice, as was requested by the Minister of Justice of the Chief Justice of the Superior Court of Quebec. Until we hear definitely that the courts feel aggrieved, I take the word of my ministers.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REQUEST FOR PUBLICATION OF REPORT OF JUDGE DESCHÊNES

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, the Prime Minister continues to refuse to make available to parliament information on the basis of which parliament can come to a conclusion as to the propriety of the ministers' actions. Without for a moment accepting the evasions in this House regarding those conversations, and understanding the very limited scope of the inquiry of Chief Justice Deschênes into the legal aspects of the case, may I ask the Prime Minister some specific questions about the publication of the report to be made by Chief Justice Deschênes. First, does the government agree to the full publication of that report?

Mr. Speaker: Order, please. With all due respect, I must remind the Leader of the Opposition that he is asking his third supplementary question and a series of questions now put would seem to presume on the privileges of the House. I wonder if the Leader of the Opposition might put one question.

Mr. Clark: Thank you, Mr. Speaker. I ask the Prime Minister to tell the House if the government will agree to the full publication of the report to be made by Justice Deschênes; also, is the government now actively seeking the agreement of Mr. Justice Deschênes for the release of that report in full, immediately it is received by the government?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I would not agree to that. The Minister of Justice made clear what the procedure would be. He was writing to the Chief Justice of the Superior Court, to ask the chief justice to communicate to the Minister of Justice any information he might possess on this case which is so disturbing the opposition.

Mr. Muir: Where are your purple robes?

Mr. Trudeau: If the Chief Justice feels that he has something to communicate to the Minister of Justice, we would not, as I made clear in the House the other day, object to that. On the contrary, if he wants to make it public, it will be up to him to decide. It will not be up to us to tell the Chief Justice how he should act.

Mr. Clark: But will you request that?

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—GOVERNMENT ACTION TO REVEAL CONTENT OF CONVERSATIONS BETWEEN MINISTERS AND JUDGES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Minister of Justice. Last Friday, according to *Hansard*, the Minister of Justice said that he was sure members of the government and ministers would submit to interviews with the Chief Justice of the Superior Court of Quebec. On the other hand yesterday the Prime Minister seemed to agree with me, seemed to agree that Chief Justice Deschênes would not normally be called on to look into conversations between members of Cabinet. Can the Minister of Justice indicate what he intends to do now, as Attorney General of Canada and chief legal adviser to the government, to remove this ambiguity; or, will he institute some sort of independent inquiry so that the House may know the contents of any conversations which any ministers of the Crown had with judges relating to the intentions and motives of any ministers of the Crown?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I hope the hon. member is not intentionally paraphrasing me erroneously. I indicated last Friday that if the Chief Justice of the Superior Court wanted to talk to ministers on this matter, I was sure they would co-operate. There was no conflict between my answer of Friday and the Prime Minister's answer of yesterday. As to the latter part of the question, I have already indicated my position. As Minister of Justice, I do not intend to make further recommendations to the government at present until I have had the opportunity to hear from the Chief Justice of the Superior Court any matters he thinks it is appropriate to bring to my attention.

● (1420)

Mr. MacKay: Mr. Speaker, I certainly thank the minister for his answer. I do not wish to argue with him, but I maintain that there appears to be on the record some sort of ambiguity as matters stand now. Apparently neither the chief justice nor this House may have access to conversations between his cabinet colleagues. Would the Minister of Justice give this House some explanation. Is he prepared to provide any kind of documentation for example that these conversations were about normal government business and not the private and political interests of the Minister of Consumer and Corporate Affairs.

Mr. Basford: Well, Mr. Speaker, private communications between ministers are confidential. I see no ambiguity whatsoever on the record.

* * *

ANTI-INFLATION BOARD

ABILITY OF BOARD TO MONITOR PROFIT AND PRICING POLICIES OF MULTINATIONAL CORPORATIONS

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I should like to direct a question to the Minister of Finance. This question is about justice—economic justice. Over the past year various officials of National Revenue, including the minister, have admitted to the public that this country loses hundreds of millions of dollars because

of the ability of multinational corporations to divert funds from one subsidiary to another in a different country in order to take advantage of tax laws. Given this ability to manipulate profit and loss statements does the minister still maintain that the Anti-Inflation Board is capable of monitoring, let alone controlling the profit and pricing policies of multinational corporations?

Hon. Donald S. Macdonald (Minister of Finance): Those operations in Canada, Mr. Speaker, yes.

Mr. Saltsman: Mr. Speaker, I congratulate the minister more on his faith than on his facts. We had a chance to speak to some of the people from the monitoring board, the AIB, and I asked a question of Mr. John Hague at the seminar held for MP's on the anti-inflation program. He told me that the National Revenue people had lots of experience in handling such attempts at diverting funds. Given the fact that 60 per cent of our manufacturing sector is foreign controlled, that petroleum is 95 per cent and the Minister of National Revenue has admitted that he really cannot control—

Mr. Speaker: Order, please. If the hon. member has a supplementary question would he put it.

Mr. Saltsman: Yes, Mr. Speaker. In the face of this admission on the part of the Minister of National Revenue that he had no way of really monitoring the foreign multinational corporations can the Minister of Finance say how he intends to do the monitoring.

Mr. Macdonald (Rosedale): Mr. Speaker, if the hon. member would check the record I think he will find he has not correctly stated what the Minister of National Revenue has said. The minister has pointed out that, of course, there is difficulty in monitoring transnational transactions and indeed there is the possibility in some cases that revenue has been lost. Notwithstanding that, the Department of National Revenue over the years has had some success in monitoring the transfer payment problems.

* * *

INCOME TAX

POSSIBILITY OF AGREEMENT WITH UNITED STATES ON MONITORING PROFITS OF MULTINATIONAL CORPORATIONS

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I should like to direct my question to the Minister of National Revenue in this case. The other day in response to a question of mine, the minister said that people in his department were meeting with their counterparts in the United States to arrange some kind of a method to monitor the profits and transfer payments of multinational corporations. Can the minister say how those meetings are proceeding and whether he has reached agreement with the United States government on monitoring multinational corporations?

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, once again we have the hon. member looking at a glass that is nine-tenths full and seeing that it is one-tenth empty when he interprets the wording I used. We are working on a close, almost daily, co-operation with the Internal Revenue Service in areas in which we have mutual concerns, because tax laws are bound by boundaries and what we have to do is work across these boundaries. I must say we have had first class, 100 per cent, co-operation from the Internal Revenue Service of the United States in the hope that we will get other countries to join with us and embark upon simultaneous monitoring which will make us not only effective as we are now but more effective in the future.

* * *

[Translation]

THE CANADIAN CONSTITUTION

REQUEST THAT PRIME MINISTER DEFINE "AMENDMENT" AND "REPATRIATION"

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the right hon. Prime Minister.

Last weekend, the Prime Minister spoke about the repatriation of the constitution from England to Canada. If I understood the Prime Minister correctly, I commend him because he had the courage to say how he would proceed with the repatriation of the constitution. Either some people did not understand anything or I misunderstood. Could the Prime Minister say clearly and as firmly as he did last weekend that the purpose of the repatriation of the constitution is not to amend the constitution in England but to repatriate it to amend it here in Canada? Can the Prime Minister repeat if this is what he said namely that we do not need England to legislate on a constitution which properly belongs to us Canadians?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it seems the leader of the Social Credit Party of Canada understood, certainly better than some other hon. members opposite. I indicated very clearly in Quebec City and in this House yesterday, and on several occasions before and after, that it was a matter of putting an end to the last trace of colonialism which enables England to pass legislation which is valid and applicable in Canada. We are the only independent country in the world which is in this situation where its laws, and in particular its constitutional laws, can be made by another country; this is precisely what we want to put an end to. Once the constitution is repatriated, Mr. Speaker, the federal government will not get any new power whatsoever.

Mr. Caouette (Témiscamingue): A supplementary, Mr. Speaker.

In my supplementary, I put aside the statements made by the Prime Minister of Canada about Premier Bourassa. That is none of my business and I do not want to talk about it. But referring to the Canadian constitution, the Prime Minister also stated that pretty soon he would proceed to its repatriation and that if he has not the support of the provinces, he will act unilaterally. I also approve of that, because there is no need to beg here and there for repatriating what belongs to us. Here is what I want to know. The Prime Minister said that pretty soon we would initiate proceedings or will proceed to such a repatriation. When does the Prime Minister intend to begin or did he

begin to work in order that the constitution, after 49 years of controversy, be finally repatriated, discussed and amended in Canada, and that it really belongs to the Canadian people?

Mr. Trudeau: Mr. Speaker, if you will allow me, I would like first of all to clarify my previous answer. When I said the federal government would not have any more power than before, I meant it would not take any away from the provinces. The separation of jurisdiction between the provinces and the federal government will remain exactly the same.

As for the latter part of the question, as I have said previously, I intend to report to the ten premiers on the state of the discussions which have been going on for a year. A year ago, the provincial premiers and myself agreed on the principle that repatriation was desirable. I had a mandate from them to seek an agreement largely based on the foundations we had laid down in Victoria. I must now report in writing to the provinces and shall then see whether an agreement is possible on the basis of the progress we have made. If an agreement is possible, there will be the usual meetings, detailed discussions, following which repatriation will take place with everyone's agreement. If not, I shall report to both chambers to find out whether they share my view that after 49 years of fruitless efforts the time has come to take unilateral action.

* * *

● (1430)

[*English*]

ADMINISTRATION OF JUSTICE

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REQUEST MINISTER OF PUBLIC WORKS REVEAL CONVERSATION WITH JUDGE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is for the Minister of Public Works. I should like to congratulate him on his frankness in his answer to me on Wednesday when he said he intervened to make sure the judge had the facts and did his duty. Today he said that any conversation between privy councillors is privileged. I ask the minister to reconsider his position. Government matters would be confidential and secret, but does he consider a conversation which affects the Minister of Public Works personally in reference to a court matter in which the Minister of Public Works admitted he did intervene with the judge as confidential? Has he reconsidered his position, and will he tell us now what that conversation was?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, without accepting the hypothesis in the first part of the question, I must say that I have thought over this matter a good deal. I still regard conversations between privy councillors as being privileged—

Some hon. Members: Oh, oh!

Mr. Woolliams: Do I take it now that the Minister of Public Works is refusing to answer on the ground that all conversations between privy councillors, whatever they may be, are privileged and confidential? Is that his position?

Mr. Drury: Yes, Mr. Speaker.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REQUEST THAT CONSUMER MINISTER SAY WHETHER MINISTERS ASKED TO INTERVENE WITH JUDGE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Consumer and Corporate Affairs, who I know has had an opportunity to reflect on his refusal to answer questions. Knowing the difficult position the Minister of Public Works is now in, having disclosed some information, I now ask the Minister of Consumer and Corporate Affairs, as a lawyer and as a member of this House who has had at least 24 hours to reconsider his indefensible refusal to speak up yesterday, to tell the House whether he invited the former Minister of Finance or the Minister of Public Works to intervene in any way with the judge who was in charge of those proceedings. Surely, he can answer that question.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would like to suggest to the hon. member that he consult Beauchesne, 4th edition, citation 149, paragraph (c).

[*English*]

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—PRIME MINISTER'S VIEW ON ESSENTIALITY OF CONVERSATIONS BETWEEN MINISTERS FOR INVESTIGATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, the stonewalling is continuing. Let me ask the Prime Minister a question. The other day the Prime Minister said that the chief justice would not normally be called upon to look into conversations between members of his cabinet. Surely, the Prime Minister must now admit that these are not normal circumstances. Does he not agree that the reasons for the conversations and the conversations themselves between the Minister of Consumer and Corporate Affairs and the Minister of Public Works are vital in order to accomplish a complete investigation by the chief justice?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I honestly fail to see why the opposition is pursuing this diversionary tactic.

Some hon. Members: Oh, oh!

Mr. Nowlan: Are you kidding again, Pierre?

Mr. Clark: Perhaps this is a privileged comment.

Mr. Trudeau: I can see that they are very sadly sidetracked. The essence of the question is what ministers might have said to judges in the course of their duties. What ministers say between themselves or what hon. members opposite say between themselves is not relevant to this case. It may be relevant to something else, but whether the courts have been aggrieved by interference in the course of justice surely would depend on what the

ministers said to the judges and when and how, rather than what the ministers said between themselves.

Some hon. Members: Hear, hear!

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—POSSIBILITY OF PUNISHMENT FOR MINISTERS WHO APPROACHED JUDGES

Mr. Lincoln M. Alexander (Hamilton West): Let us get down to the nitty gritty. It has been stated by the law societies of both Ontario and Quebec that leaving aside the grievance which might come into play with respect to judges, a cardinal rule has been broken by the ministers who so approached them. Would the Prime Minister now advise this House what punishment he envisages for those ministers who broke those rules, and when can we expect an announcement in that regard?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): The point I was making to the hon. member in my first answer—and the second one follows it—is that ministers by speaking between themselves have not broken any rules of which I know. If there are any rules broken—

Some hon. Members: Oh, oh!

Mr. Trudeau: It must happen frequently that members of the cabinet discuss—

Some hon. Members: Oh, oh!

Mr. Clark: Why are they afraid to reveal it?

Mr. Trudeau: That is my answer, Mr. Speaker.

Mr. Alexander: It's not a very good one.

Some hon. Members: Oh, oh!

Mr. Alexander: You have broken a cardinal rule.

An hon. Member: Name the cardinal.

Mr. Fairweather: I can name the cardinal. He is with the Queen, Harold Wilson and the Pope—

Some hon. Members: Hear, hear!

Mr. Fairweather: —who seem to be intervening in Canada's constitutional evolution.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—SUGGESTED REFRESHER COURSE IN ETHICS FOR MINISTERS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I would like to ask, pending the chief justice's report—and whether or not it is secret is apparently up to the cardinal—will the Prime Minister convene a refresher course in legal and ministerial ethics for his cabinet colleagues based, I suggest, on a most excellent speech by Professor Lederman—that should have had much wider publicity than it did—made to the judges' meeting last week in Toronto?

[Mr. Trudeau.]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it seems to me this question is addressed to the gallery rather than to me.

* * *

EXTERNAL AFFAIRS

INDIA—SAFEGUARDS AGAINST NUCLEAR EXPLOSION WHEN NUCLEAR AID IS RESUMED

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is to the Secretary of State for External Affairs in the hope that he will be better informed than the Prime Minister as to any accord or agreement reached between India and Canada over resumption of nuclear aid.

Will the minister tell us explicitly what arrangements were worked out in New Delhi by the Prime Minister's political adviser, and if any agreement was arrived at which would ensure that India will refrain from the detonation of a nuclear device during the lifetime of its reactors and not just for the 15 month period in which the Rajasthan reactor is to be completed, as initial reports seem to indicate?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I am sure I am not any better informed than the Prime Minister on this subject, but I can tell the hon. member that the negotiating team in New Delhi, which was headed by Michel Dupuy, the Assistant Under-secretary of State for External Affairs, did reach some understandings with the negotiating team on the Indian side. These understandings are subject to approval by myself and by the cabinet, and until consideration is given to the report which will be made to me, I do not think it would be very relevant or useful to give a report of understandings which have not yet been approved by the government and which may not be implemented.

● (1440)

ADHERENCE TO NON-PROLIFERATION TREATY AS PRECONDITION TO GRANTING NUCLEAR AID—POSSIBILITY OF DOUBLE STANDARD

Miss Flora MacDonald (Kingston and the Islands): A supplementary question, Mr. Speaker. I should like to ask the minister to clarify his government's decision with regard to ratification of the NPT as a precondition to the export of nuclear aid as a result of two statements made by his parliamentary secretary last night on the adjournment debate as follows:

NPT adherence is not an absolute precondition to nuclear trade on commercial terms with other countries.

Later the hon. lady said:

NPT adherence is a precondition for extending bilateral government development assistance resources in the nuclear field.

Mr. Speaker, am I to take it from this that when nuclear exports are thought to be commercially profitable, Canada will peddle its nuclear technology throughout the world regardless of the moral and political consequences of such sales? If not, why the double standard?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, there is no double standard involved at all. In any sale of nuclear equipment or technology to any country, precisely the same standards are applied whether they are applied to a reactor for which we provide assistance through our Canadian International Development Agency or whether we provide a reactor on a completely commercial basis, the safeguards are precisely the same. There is no double standard and in its bilateral agreements Canada exacts precisely the same standards, regardless of the source of the financing.

* * *

SUPPLY AND SERVICES

CONTRACT WITH LOCKHEED—REASON FOR FAILURE TO PROVIDE FOR SHORT TERM FINANCING—POSSIBILITY OF BUYING CANADIAN AIRCRAFT

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is for the Minister of Supply and Services and concerns the negotiations presently under way with the Lockheed corporation for the proposed purchase of the Orion LRPA. Since the decision was announced in principle two months ago, can the minister advise whether lack of agreement about front-end money on that purchase, which is over $100 million, was as a result of negligence or oversight by the government or the result of it being deliberately misled by the Lockheed corporation as to the necessity for additional government funding for the contract?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, as I indicated many times to the House, it is a question of financing on the part of Lockheed Aircraft Corporation Ltd. It is necessarily the question of long term financing, given that corporation's circumstances which prevailed on the international market, and as a result, we are led to be more cautious. On the part of the government, it is a matter of short term financing, and this is an extremely complex question. We are considering the possibility of achieving this short term financing through a re-evaluation of the production schedule originally planned. We are hoping a conclusion will be reached by the end of this month.

[*English*]

Mr. Leggatt: Mr. Speaker, I should like to uncomplicate that question for the minister in just a moment. The terms of the contract will require that Canada take the risk by putting up the money. Since Lockheed has no United States federal guarantee or advantage, and in view of the clear case that Canada is risking up to $200 million without guarantee of delivery of this aircraft, will the minister now drop the other shoe and make the obvious decision? Also, would the minister tell the House when they are going to go either to Canadair or de Havilland to provide a Canadian LRPA and put all Canadian workers to work?

[*Translation*]

Mr. Goyer: Mr. Speaker, from the contract negotiated but not yet signed with Lockheed Aircraft Corporation Ltd. will flow a major economic boost for Canada and we obviously keep this advantage in mind.

As for the terms of payment of this eventual contract with Lockheed, we are not required to make a down payment. According to the agreed formula, we pay as the production goes on. As for the risk of dealing with Lockheed, some officials met with representatives of the American government to assess what would be their own position towards Lockheed, given the prevailing circumstances surrounding this corporation.

The American government accounts for two thirds of Lockheed's overall orders, which means that Lockheed considers the U.S. government as a major player. The fact that the United States chose to deal with Lockheed reassures Canada to a certain extent.

* * *

ADMINISTRATION OF JUSTICE

INQUIRY WHETHER PRESIDENT OF TREASURY BOARD RECEIVED APOLOGY FROM JUDGE

Mr. Maurice Dupras (Labelle): Mr. Speaker, I wish to put a question to the President of the Treasury Board.

Last March 3, in answer to some allegations made by a Justice of the Superior Court, the minister told the House that he would ask the judge to apologize and withdraw his allegations. He gave him three days to do so. I would like to know whether the minister did receive an apology and whether he intends to table it in the House?

* * *

OLYMPIC GAMES

REQUEST FOR DETAILS ON METHOD OF FINANCING DEFICIT

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the President of the Treasury Board.

Following the Prime Minister's statement about the Olympic Games, which amounts to a flat no, the President of the Treasury Board stated at the same meeting that he was trying to find another payment formula. The Quebec finance minister says he is very optimistic concerning the use of this formula. Can the President of the Treasury Board explain what he means when he talks about a new payment formula?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I said in Quebec—and I was simply repeating what the Prime Minister had said—that there is absolutely no question that the federal treasury will make up the deficit resulting from the Olympic Games, because we want to respect fully the agreements entered into by the parties some years ago. As for other self-financing formulas, I have discussed some of these last months with the Minister of Finance. I met him Saturday afternoon, but I have nothing to report at this time.

Mr. La Salle: Mr. Speaker, I should like to put a supplementary question.

In view of the interest shown by Quebecers and all Canadians, I imagine, and since the negotiations between the responsible ministers in Ottawa and Quebec City are going on, when could the minister give some relevant information to the House?

Mr. Chrétien: Mr. Speaker, I will gladly advise the House as soon as possible. It would be useful to know the views of the hon. member's party about the matter.

* * *

[*English*]

AGRICULTURE

POSSIBILITY DUTCH CHEESE BEING DUMPED INTO ONTARIO—REQUEST FOR INVESTIGATION

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is for the Minister of Agriculture regarding the importation of cheese. Would the minister look into the possibility that Dutch cheese has been dumped into the Ontario market? This cheese, manufactured in Holland, is selling at 40 cents per pound less in Ontario than it sells in Holland?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, all I can say is that all aspects of imported cheese, subsidized or otherwise, are being investigated at the present time.

* * *

EXTERNAL AFFAIRS

INDIA—INQUIRY WHETHER AGREEMENT TO CONTINUE NUCLEAR AID WILL CONFORM TO PRINCIPLES AGREED TO BY SUPPLIER NATIONS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I have a question for the Secretary of State for External Affairs, but I am not attempting to ask him to breach any cabinet secrecy in respect of an agreement which has not been placed before his cabinet colleagues. I wonder if the minister could confirm that any intended agreement with India with respect to the continuation of nuclear aid will be in conformity with the four principles agreed upon by Canada and the other six supplier nations as a result of the London conference?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, certainly the standards that have been agreed upon by the supplier countries are involved in this discussion. One of the questions that I shall be asking as I receive the report is to what extent the understandings that have been reached in New Delhi comply with the guidelines established by the suppliers before I would send forward recommendations to the cabinet.

Mr. Lawrence: A supplementary question, Mr. Speaker. It is my understanding that one of the principles involved in respect of the supplier conference agreement was that recipients of nuclear aid must give assurances that nuclear facility imports will not be used to make nuclear explosives for any purpose, even tunnel excavation by nuclear explosion, for any period of time, whereas the intended agreement now on the desk of the minister relates only to an 18 month period respecting the New Delhi agreement. Can the minister comment on the contradiction between no time limit in respect of the supplier conference agreement and the 18 month period specified in the draft agreement now on his desk?

Mr. MacEachen: Mr. Speaker, I have not received any draft agreement. What I have received is a very summary report by way of telegram. I hope to receive a full report from Mr. Dupuy very shortly. At that time it will be possible to be more precise. However, on the basis of my personal knowledge, I do not believe there is any difficulty with respect to the question of the duration, as has been raised by the hon. member.

● (1450)

SIGNING OF NON-PROLIFERATION TREATY AS PRECONDITION TO SIGNING NEW AGREEMENTS FOR NUCLEAR POWER STATIONS—GOVERNMENT POSITION

Mr. Jake Epp (Provencher): Mr. Speaker, I wish to direct my question to the Secretary of State for External Affairs. It flows from the questions on the New Delhi agreement as well as the statement made by the minister's parliamentary secretary during the adjournment debate yesterday. Is it government policy to complete nuclear power sites without the host country involved having signed the nuclear non-proliferation treaty, but that all new agreements to build Canadian nuclear power sites will have as a precondition that the host country has signed the nuclear non-proliferation treaty?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No, Mr. Speaker, that would not be a clear definition or clear statement of government policy with respect to membership in the NPT. I believe that my colleague, the then Minister of Energy, Mines and Resources, in making his statement in December, 1974 underlined the conditions with which we look at the NPT. Briefly, I would say in cases where we provide direct aid or assistance in the construction of a nuclear reactor, we expect such countries to join the NPT because of the greater responsibility Canada has taken through its provision of financial assistance and because of the greater possibility that exists in that situation for having an influence on the recipient country. In other cases, generally, membership in the NPT is an influential factor in considering whether to undertake a transaction of any kind.

* * *

ELECTIONS

DATE OF BY-ELECTION IN OTTAWA-CARLETON—REASON FOR DELAY

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, my question is directed to the Prime Minister. In view of the fact that the Prime Minister yesterday assured this House that he believes the electorate in every constituency in Canada is entitled to representation in the House of Commons, can the Prime Minister inform this House and the people of Ottawa-Carleton when a by-election will be held to fill the vacancy made by the resignation of one of

the Prime Minister's disenchanted party members, John Turner?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will follow the rules laid down by this House in making that announcement.

Mr. Dick: In view of the fact that the Prime Minister was able to bring on a by-election within 41 days of the resignation of Gérard Pelletier to fill that vacancy in the province of Quebec, why is the Prime Minister leaving constituencies in Newfoundland and Ontario so long without representation in the House of Commons by refusing to call by-elections at the earliest opportunity?

Mr. Alkenbrack: Because we in Ontario are second-class citizens.

Mr. Trudeau: I repeat, Mr. Speaker, I am following the cardinal rules laid down by the House in this matter. In the case of Newfoundland, the vacancy was caused by a Tory member resigning. In the case of Hochelaga, it was a minister of the Crown resigning.

Some hon. Members: Oh, oh!

* * *

HARBOURS

HALIFAX—POSSIBILITY OF FEDERAL AID IN CONSTRUCTION OF CONTAINER FACILITIES

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I am sorry to interrupt the debate now going on, but I have a question for the Minister of Transport. It arises out of last week's decision to have a federal-provincial study on the feasibility of expanding container facilities in Halifax harbour. Does this federal participation mean, should the need for more facilities for the most active container port in eastern Canada be proven, that federal moneys will be spent on new container facilities there? I ask this because we have never had a direct public answer from the National Harbours Board.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, it should be well recognized that there is a very fundamental federal involvement in port construction. That would ordinarily involve us in legitimate and needed expenditures in any port, including the port of Halifax. Therefore, the basic answer to the question is yes. Of course, that in no way prejudges the issue as to whether the particular facility recommended is needed and further study will be made for that purpose.

* * *

[*Translation*]

AGRICULTURE

DAIRYING—REQUEST FOR ASSURANCE NEW POLICY WILL NOT CAUSE LOSS TO PRODUCERS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Minister of Agriculture. Since the dairy producers are concerned by the future plans of the federal Department of Agriculture, could the minister assure the dairy producers that his new dairy policy will not mean any loss of income in comparison with last year, because some dairy producers state that as a result of his new dairy policy they will lose from $5,000 to $6,000 a year?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the milk management supply committee is made up of people from all over Canada, such as provincial representatives, producer representatives and people from the trade. They are meeting in Ottawa today and possibly tomorrow. It is my opinion that people who are productive should be paid for their production. Because they overproduce, they should not be penalized by being asked to give away their produce. In no way will I be responsible for such a program as that.

* * *

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—POSSIBILITY OF INCLUDING OIL PRICES WITHIN GUIDELINES

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is for the Minister of Finance. Nova Scotia Premier Gerald Regan was reported in Saturday's *Globe and Mail* as accusing Ottawa of hypocritical expediency for leaving crude oil prices outside the anti-inflation program. In view of this assessment by a fellow Liberal, will the minister now bring crude oil prices under the anti-inflation guidelines?

Hon. Donald S. Macdonald (Minister of Finance): No, Mr. Speaker.

SUGGESTED INCREASE IN EQUALIZATION PAYMENTS TO NOVA SCOTIA AND MAINTENANCE OF OIL SUBSIDIES

Mr. Andy Hogan (Cape Breton-East Richmond): Is the minister prepared to make very substantial increases in the equalization grants to the province of Nova Scotia as well as maintain the present level of import oil subsidies to offset a severe decline in that province's economy?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should point out to the hon. member there have been substantial increases in the equalization payments to Nova Scotia and the other Atlantic provinces in recent years. As to whether there should be a special subsidy for Nova Scotia so it will have a special Nova Scotia oil price as opposed to that payable by the rest of Canadians, it is not a course of action which commends itself to me.

Oral Questions

ANTI-INFLATION BOARD

NUMBER OF ADDITIONAL EMPLOYEES NEEDED TO COPE WITH INCREASED WORKLOAD

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. With estimates of his department already requesting nearly 400 employees to run the anti-inflation program, twice the original estimate of 200, will the minister tell the House how many additional staff members will be required by the Anti-Inflation Board in order to cope with the expansion of their activities announced in the order in council tabled yesterday which puts the number of firms covered by the board at 20 times the original estimate?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, that question should be directed to the Minister of Finance.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I do not have a precise figure in that regard. I will see if I can seek one and communicate with the hon. member.

POSSIBLE EXPANSION OF MONITORING ACTIVITIES—EXPANSION OF CONTROLS—POSSIBLE ADMISSION OF NEED FOR COMPREHENSIVE CONTROLS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I would point out to the Minister of Consumer and Corporate Affairs that the estimates actually come under his department with respect to the Anti-Inflation Board. My supplementary question is to the Minister of Finance. Accepting that general insurance companies are now being reviewed with a view to possibly including those companies under the wage and price controls, will the minister tell the House whether the Anti-Inflation Board or he is considering any further expansion of monitoring and regulating activities into sectors of the economy as yet unaffected by the wage and price control program? Also, will he tell the House whether the expansion of the scope of the anti-inflation program represents an admission that selective controls are inadequate and a realization that comprehensive controls are more appropriate?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I wish to confirm that the Anti-Inflation Board will receive a reference from the government with respect to the general insurance industry. Of course, under the provisions of the law, that will be effective from the date of the public statement and the reference. The hon. member seems to be saying in one breath that the Board is acquiring too many personnel, while in the next breath he says it should engage in a program which would require many more personnel. I would have to reflect to see if there is any logic in the two positions.

● (1500)

[*Translation*]

Mr. Béchard: Mr. Speaker, I rise on a point of order concerning the rather strange manner in which the hon. member for New Westminster (Mr. Leggatt) objected to a motion which had already been passed. You asked three times for unanimous consent and obtained it. Then the hon. member for New Westminster rose on a point of order to say that he disagreed.

Being aware of the legal abilities of the hon. member for New Westminster, I am surprised that he took so much time in stating his objection to that motion which had already received, I respectfully submit, Mr. Speaker, the unanimous consent and which moreover had been passed.

[*English*]

Mr. Leggatt: On the point of order, Mr. Speaker. I was simply rising to point out that because of the noise in the chamber at the time—

Some hon. Members: Oh!

Mr. Leggatt: —it was entirely possible that Your Honour did not hear the "noes" which were uttered in certain quarters of the chamber. Since hon. members of the Conservative Party believe I said "No", I want to tell them that this is perfectly correct. I did say no.

[Mr. Macdonald (Rosedale).]

ROUTINE PROCEEDINGS

[*English*]

PUBLIC ACCOUNTS

FIFTH REPORT OF STANDING COMMITTEE

Fifth Report of Standing Committee on Public Accounts—Mr. Crouse.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,497, 3,532, 3,546, 3,911, 3,921, 3,940, 3,941 and 4,082. I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

EMPLOYEES EARNING MORE THAN $25,000

Question No. 3,497—**Mr. Fortin:**

1. How many employees are earning more than $25,000 a year in (a) CNR (b) Air Canada (c) CBC (d) Polymer (e) Eldorado (f) CMHC (g) Industrial Development Bank (h) Farm Credit Corporation?

2. In each case, how many are (a) French-speaking (b) English-speaking (c) bilingual?

Hon. Mitchell Sharp (President of the Privy Council): 1. (a) It has not been the practice of the Company to disclose data on employees' earnings in the manner requested. Certain details on annual earnings of various occupational groups of Canadian National employees, however, are available from the publication "Railway Transport" Part VI (Employment Statistics) issued annually by the Dominion Bureau of Statistics.

2. CN records are not designed to capture the information as requested. However, a survey conducted earlier this year established that roughly 12.5 per cent of those on the senior officers' payroll were francophones. On the St. Lawrence Region (comprising all trackage in the Province of Quebec, except the Gaspé Peninsula, plus a line in Ontario, Vankleek Hill Ottawa—Brent) 78 per cent are bilingual and 22 per cent are unilingual English speaking.

1. (b) Air Canada has not been in the practice of disclosing such information on employees' earnings.

2. Of those employees earning a basic salary of $25,000 a year or more (a) none speak French only, (b) some 70 per cent speak English or English plus a language other than French, and (c) approximately 33 per cent are bilingual. (English and French).

1. (c) 631.

2. CBC records have not been maintained in a manner which would enable the Corporation to extract readily and without an inordinate amount of work, time and cost, information about the mother tongue and language proficiencies of these employees. In addition, since the Corporation's records do not necessarily contain the requested information, the final answer would not be complete.

1 and 2. (d) The subject matter of the question does not fall within the administrative responsibility of the government of Canada.

1. (e) 26.

2. (a) 0; (b) 21; (c) 5.

1. (f) The four employees of CMHC appointed by Governor-in-Council are in receipt of salaries of more than $25,000 per annum. It is not the policy of CMHC to disclose salaries in greater detail, since these are matters of internal administration and the responsibility of the President and Board of Directors.

2. The Personnel records of CMHC are not yet complete with respect to language capabilities. Of the total number of employees earning more than $25,000, 61 have been tested, of whom 27 are bilingual.

1. (g) There are 144 employees earning more than $25,000 a year.

2. (a) 0; (b) 105; (c) 39.

1. (h) 36.

2. (a) 2; (b) 23; (c) 11.

PEI COMPREHENSIVE DEVELOPMENT PLAN—PHASE 2

Question No. 3,532—**Mr. MacDonald (Egmont):**

With reference to Schedule "C" of the PEI Comprehensive Development Plan, signed in 1969, for each economic indicator cited (a) a 50 per cent below national average output in the agricultural sector (b) a per capita income of 60-70 per cent of the national average (c) an aggregate annual output in commodity sectors growing on average 2.2 per cent from 1961-1965, what is the level (based on constant dollars) for each year since 1969?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: Net Provincial Product per cent Growth: 1970, 7.4; 1971, 1.9; 1972, 9.2; 1973, 12.2; 1974, 8.4. Population: 1970, 110,000; 1971, 112,000; 1972, 113,000; 1973, 115,000; 1974, 117,000. Per Capita Income per cent Growth: 1970, 9.2; 1971, 0.3; 1972, 10.8; 1973, 9.6; 1974, 4.2.

PEI COMPREHENSIVE DEVELOPMENT PLAN—PHASE 2

Question No. 3,546—**Mr. MacDonald (Egmont):**

With reference to the agricultural sector of Phase 2 of the PEI Comprehensive Development Plan, what progress has been made in decentralizing decision-making among district farm offices so they can better adapt their programmes to local needs?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: The decision-making process in district farm offices is a matter which is the responsibility of the government of Prince Edward Island and, as such, questions related to these organizational and administative arrangements should be directed to it.

DREE—NEW BRUNSWICK FUNDING

Question No. 3,911—**Mr. McCain:**

Did the Province of New Brunswick request funding from DREE over the next five years for (a) upgrading of Route 2, Fredericton to Grand Falls (b) upgrading of Route 2, Mactaquac to Woodstock and, if so, in each case (i) how much (ii) how much financial assistance is DREE prepared to give?

Mr. Cliff McIsaac (Parliamentary Secretary to minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: In response to a request from the Minister of Regional Economic Expansion, the province of New Brunswick submitted to the Department an outline of the provincial plan for highway construction and improvement to be undertaken over the next five years. Although the projects listed in this question form a part of the overall provincial plan, there has been no specific request from the province for DREE assistance to them. the question of what assistance, if any, might be provided is being considered in the continuing process of federal-provincial discussion regarding DREE activities in New Brunswick. (i) Not applicable; (ii) Not applicable.

CMHC—APPOINTMENT OF MR. W. TERON

Question No. 3,921—**Mr. Cossitt:**

1. Since William Teron was appointed Acting Secretary or Deputy Minister of the Ministry of State for Urban Affairs how many senior officials of the Department including Central Mortgage and Housing Corporation have (a) left their jobs (b) been transferred to other departments (c) given notice or signified intention to leave or desire to be transferred and, in each case (i) what are their names (ii) what are the positions they held or presently hold?

2. Has Mr. H. L. Laframboise, Assistant Secretary for Policy and Research left the Department since the appointment of Mr. Teron to assume a position with the Department of Labour and, if not, is it his intention to leave?

3. Did (a) Mr. André Saumier, Senior Assistant Secretary responsible for inter-governmental co-ordination (b) Mr. Harold Dyck, urban affairs co-ordinator for the Prairie region, leave the Department following the appointment of Mr. Teron and, if so, on what date?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Ministry of State for Urban Affairs is

concerned: 1. (a) Four. (b) Two of these four accepted transfers to other departments. (c) One person has advised he has accepted a transfer. (i) H. L. Laframboise. (ii) Assistant Secretary, Policy and Research.

2. Mr. H. L. Laframboise is being transfered to Department of Labour effective March 1, 1976.

3. (a) Mr. André Saumier, Assistant Secretary, Coordination and Development, was granted two years leave without pay from the Ministry of State for Urban Affairs effective January 26, 1976 to accept a position outside the federal government. (b) Mr. Harold Dyck, Senior Regional Coordinator for the Prairie Region, resigned from the Ministry January 16, 1976 to accept a position with a provincial government.

In so far as Central Mortgage and Housing Corporation is concerned: 1. (a) Two senior officials of CMHC retired at the end of 1975 because of age or length of service. (b) Two senior officials of CMHC have been seconded to the Anti-Inflation Board. These retirements and temporary transfers are not related in any way to Mr. Teron's appointment as Acting Secretary in the Ministry of State for Urban Affairs. Details of personnel administration of CMHC are the responsibility of its President and Board of Directors, and it is not the policy to disclose details of that administration.

PLACAGE CHAMPLAIN INC.

Question No. 3,940—**Mr. Lambert (Bellechasse):**

1. Has the Department of Regional Economic Expansion granted financial assistance to Placage Champlain Inc., Tring Junction, Beauce South County and, if so, in what amount?

2. Has the company discontinued its operations?

3. Who were or are the Directors?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 1. Yes. Placage Champlain Inc. accepted an offer of $101,760, of which only $83,823 was paid out.

2. Yes.

3. The two main directors of Placage Champlain Inc. were Messrs. Jacques Dussault and Guy Rhéaume.

POLY-TRACTION INC.

Question No. 3,941—**Mr. Lambert (Bellechasse):**

1. Has the Department of Regional Economic Expansion granted financial assistance to Poly-Traction Inc., Tring Junction, Beauce South County and, if so, in what amount?

2. Has the company discontinued its operations?

3. Who were or are its Directors?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 1. Yes, Dayco Poly-Traction Ltd. accepted an offer of $507,000, of which only $201,960 was paid out.

2. Yes.

3. Messrs N. M. Davis, R. K. McKenzie, J. W. McCarmack and J. G. Vanderwood were the directors of Dayco (Canada), parent company of Dayco-Poly-Traction.

[Mr. Sharp.]

ESTIMATED COST OF PROVIDING OLD AGE SECURITY TO THOSE IN THE AGE GROUPS 60 TO 64

Question No. 4,082—**Mr. Korchinski:**

1. What is the estimate of the cost involved in providing old age security to those in the 64 year age group in 1976?

2. What would be the estimate to reduce the eligibility age by one year in each succeeding year to lower it to age 60?

3. Is there an estimate of what amount of social assistance is presently being received by persons in each of the age groups from 60 to 64 and, if so, what is it?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. On the assumption that the January 1976 OAS rate remains constant in 1976, and based on Statistics Canada population projections, the estimated additional cost in 1976 would be $259.6 million dollars.

NOTE: The Guaranteed Income Supplement is not included in this estimate.

2. Under the same assumption as that made in the answer to part 1, the estimated additional cost would be:

Year	Eligibility Age for OAS	Estimated Additional Cost
1976	64	$ 259.6 million
1977	64-63	$ 549.6 million
1978	64-62	$ 848.5 million
1979	64-61	$1,148.4 million
1980	64-60	$1,469.1 million

NOTE: The above estimates are based on the current value of the Canadian dollar.

3. Very rough estimates derived from the 1973 Survey of Consumer Finances are as follows:

Age Group	Amount of Social Assistance*
60	$28 millions
61	$23 millions
62	$34 millions
63	$22 millions
64	$18 millions

* Amounts include federal and provincial payments.

[*English*]

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Stand.

Mr. Speaker: I understand there is agreement that the order which is to be called first today will be government order C-61. However, I indicated yesterday, a point of order having been raised in connection with a proposed amendment standing in the name of the hon. member for

Calgary North, that argument would be deferred until this time. I hope hon. members will agree that it would be appropriate to hear those arguments now in order to give the Chair an opportunity to reflect on them, so that when we return to Bill C-83 the Chair might be in a position to make a disposition of the question.

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CRIMINAL LAW AMENDMENT ACT (NO. 1), 1976

MEASURES FOR BETTER PROTECTION OF CANADIAN SOCIETY AGAINST CRIME

On the order:

Resuming debate on the motion of the Minister of Justice that Bill C-83, for the better protection of Canadian society against perpetrators of violent and other crime, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, perhaps I might begin by putting the words of my motion on record:

That all the words after "that" be deleted and the following substituted therefor:

"That Bill C-83 be not now read the second time but that the subject matter thereof be referred to the Standing Committee on Justice nad Legal Affairs for the purpose of considering a more proper legislative division thereof."

Those of us who were preparing this motion realized at the time the difficulty of wording a motion which would be in order on second reading. Thus, we did give the matter considerable thought. I intend to begin by referring to two authorities, raising points which I shall deal with in the course of my submission. I wish to refer to the fourth edition of Beauchesne's Parliamentary Rules and Forms, page 278, citation 386. I wish to refer, also, to May's Parliamentary Practice, particularly page 487 where the subject of reasoned amendments is dealt with.

May I say that an amendment at second reading of a bill is an amendment to the second reading motion, not to the bill itself. For this reason, all the allowable forms of amendment at this stage eschew specific references to the provisions of the bill or to things which are not in the bill but which some members think ought to be. Citation 386(3) of Beauchesne's sets out this rule. It is also found in May's eighteenth edition, chapter 21. May states in part, at pages 487 and 488:

(i) The principle of relevancy in an amendment governs every such motion. The amendment must strictly relate to the bill which the House, by its order, has resolved upon considering.

(ii) The amendment must not be concerned in detail with the provisions of the bill upon which it is moved nor anticipate amendments thereto which may be moved in committee.

I would say, Mr. Speaker, that my proposed amendment certainly relates to the bill. My second point is that it does not deal in any way with the provisions of the bill. Clearly, if we followed the practice to which the quotation from May refers, the amendment would not even be questioned since it does not refer to matters in the bill or matters which are not in it, or to anything which might be dealt with in committee. It relates strictly to the progress of the bill and to the second reading motion itself.

I believe that even in light of Canadian practice there is nothing wrong with the motion. In fact, only under the most restrictive interpretation of practice which could be conjured up could a case be made against the amendment. Some contend that the addition of any words whatever to the end of a motion for referral of the subject matter to a committee—and the amendment asks that the bill be sent to the Standing Committee on Justice and Legal Affairs for the purpose of considering a more proper legislative division thereof—automatically means that the amendment is out of order. I would point out, again, that the amendment does not deal with any clause of the bill: it merely concerns itself with the division of the bill as to categories—for instance, gun control, wiretapping and provincial inquiries. Such an interpretation cannot be justified by anything which appears in our Standing Orders, in Beauchesne's in May's, in the practice of the House of Commons at Westminster, or here in Ottawa.

Where amendments of this type have been ruled out of order, it has been because the words added referred to the precise terms of the bill or introduced extraneous matters, not because there were words of any sort added after the name of the committee in the motion. To illustrate this I have three examples of referral amendments to which words were added without rejection by the Chair. On May 17, 1956, the hon. member for Prince Albert, as he then was, moved a referral in the usual terms, and Mr. Caldwell, seconded by the hon. member for Winnipeg North Centre, moved an amendment as follows:

That the amendment be amended by changing the period at the end thereof to a comma and by adding thereafter the following words:

"so that consideration might be given to the advisability of recommending the constructing and operating of a trans-Canada natural gas pipe line under public ownership."

That amendment was accepted without question. If there were a rule that no words could be added, it would have been struck out instantly. So the mere fact that we have put a phrase in the end should not rule out our amendment. I might say that when the amendment I have just quoted was accepted it was not a time at which the opposition parties got away with anything they were not entitled to get away with. I think things are a little easier today; I think there is more flexibility.

On September 28, 1964, a referral was moved which included at the end the words "for further study and report". Those words are rather innocuous, but so are the words I propose to add to the basic motion. In fact, the "further study" was added as a political attack, as the member who moved the motion had spent most of his speech saying that the bill before the House had been improperly prepared and insufficiently considered. The words were not there by accident. But without referring to the specific provisions, the mover gave the reason for the referral of the subject matter to a committee, and I am doing the same thing now, Mr. Speaker.

● (1510)

Finally, on Thursday, November 16, 1967—this is more recent—an amendment was moved in relation to the abolition of capital punishment bill as follows:

That this bill be not now read a second time, but that the subject matter thereof be referred to the Standing Committee on Justice and Legal Affairs—

So far, that is exactly the same as my motion.

—for its examination in the light of studies made of the penitentiary system in general and, in particular, the rehabilitation of inmates.

The very points we are discussing today were raised. Mr. Speaker Lamoureux, who had a reputation for being extremely strict on this type of amendment, ruled as follows:

I assume the hon. member for Lafontaine would want to argue in favour of his amendment. I must tell him that after reflection, and in spite of the difficulties to which the Registrar General referred, I believe the amendment should be accepted. It is a reasoned amendment. Normally reasoned amendments suggesting that a subject matter be referred do not go beyond referring the subject matter to a committee. Additional considerations are embraced in the amendment proposed by the hon. member, but I do not think they are irrelevant. In view of these considerations I suggest to the House that from the procedural standpoint the amendment should be accepted.

I am arguing my case to Your Honour as if I were presenting a legal argument in a courtroom, and I would say, with respect, that the only possible objection that Your honour could take are to the words "for the purpose of considering a more proper legislative division thereof". In the examples I have referred to, they went even further than that. I suggest that, if anything, the amendment that I proposed yesterday is easier to accept than the one Mr. Speaker Lamoureux accepted.

In conclusion, Mr. Speaker, I think the amendment should be accepted. It does not refer to the subject matter of the bill, it does not anticipate the committee stage, and it does not refer to matters beyond the scope of the bill. Acceptable reasoned amendments of this variety do occasionally have words which, to quote the ruling I have just referred to—I must say, Mr. Speaker, it is very difficult to argue a case with so much noise and I would appreciate a little more order—go beyond referring the subject matter to a committee, and this amendment is even more circumspect than most of those. I want to come back to my point about a reasoned amendment. According to May, page 487, under the heading "Reasoned amendment":

It is also competent for a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move what is known as a "reasoned amendment".

I contend that is what I have done.

This amendment is to leave out all the words in the main question after the word "that" and to add other words; and the question proposed upon the amendment is, that the amendment be made. A reasoned amendment is placed on the paper in the form of a motion and may fall into one of several categories.

(1) It may be declaratory of some principle adverse to, or differing from, the principles, policy or provisions of the bill.

(2) It may express opinions as to any circumstances connected with the introduction or prosecution of the bill, or otherwise opposed to its progress.

(3) It may seek further information in relation to the bill by committees . . .

Such amendments have tended in modern times to become rather stereotyped and are confined generally to the first two categories; and amendments selected by the Speaker for discussion have commonly included the words, "this House declines to give a second reading"—

[Mr. Woolliams.]

Those words have not interfered with the substance of the motion.

I do not think I need spend much time on Beauchesne's because this has been covered in my argument. Citation 386 provides:

On the second reading of a bill, the House may decide to refer the subject matter thereof to a commission—

That is basically the same as a committee; if it were referred to a committee it would be in order. I should now like to make a suggestion to Your Honour. I gave this matter considerable thought yesterday before I moved the motion. It was not a case of making the motion and then trying to find arguments to back it up; we did our homework before the motion was moved. If Your Honour feels that the words "for the purpose of considering a more proper legislative division thereof" puts us in difficulty, I suggest that we are still in the ball park, but if we have knocked the ball out and it is a foul ball under these rules, then I hope the House will allow me to withdraw those words and move the motion in its pure and plain sense instead of perhaps establishing a precedent for the future. May I thank Your Honour for the kind attention I know you have given me. I know you will give my argument the consideration that I have experienced in the past.

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, with all due respect to the hon. member for Calgary North (Mr. Woolliams), I think his last comment is perhaps the most revealing. He finds himself in serious difficulty with regard to this motion and he is trying to salvage a pretty bad deal from the beginning.

There are two major defects with respect to this amendment. The first is that it goes against all previous precedents in that this particular motion does not oppose the principle of the bill. Your Honour knows that there are two major types of amendment that are permitted on second reading. The first is what is commonly referred to as a hoist—namely, that second reading should not now be given but that it be given at a future time. In such event, the session might have ended by the time the three or six months had expired. Evidently the hon. member for Calgary North is not attempting to do this.

The second type is what is referred to as a reasoned amendment. This is subject to a number of precedents dating back to 1947, and if the hon. member for Calgary North is to be successful, he must come within that particular definition. The cases are quite clear. Decisions rendered by various Speakers on reasoned amendments are also clear. In order that a reasoned amendment can be allowed, it has to oppose in principle the bill or any of its provisions. In this particular instance the motion presented by my hon. friend deals with the form and not with the principle of the bill. He seeks, as he has admitted, to have the matter referred to a committee so that the committee might consider a better form.

I should like to refer Your Honour to the *Journals* for Friday, May 7, 1971. On that occasion the Deputy Speaker at that time ruled on a motion moved by Mr. Gleave and seconded by Mrs. MacInnis. The motion moved that a bill

before the House be withdrawn and two new bills be presented; that there be a division of the bill. At that time the Deputy Speaker held as follows:

With respect, it is my feeling that the hon. member is not opposing the principle of the bill but is suggesting another way in which the government could deal with essentially the same subject matter.

He went on to say:

So I suggest, without repeating my initial concern but adding to it those remarks, that it seems to me that the opposition to the bill as set out in the hon. member's amendment is an opposition to the form of the bill and is not in opposition to the principle of the bill. He is suggesting that the way in which the House should deal with it should be changed, and again that is a matter of debate, but it seems to me that it is not acceptable as a reasoned argument.

The second weakness of the hon. gentleman's amendment is that, contrary to what he alleges, it goes behind the bill and touches the different parts of the bill. He attempts to show that the amendment does not substantially amend the bill and does not anticipate amendments which can be moved in committee.

● (1520)

When speaking on the motion, the hon. member said that he intended to divide the bill so that the gun legislation could be dealt with separately. Evidently he does not approve of gun legislation; he intends it to be separate and apart from other parts of the bill, intends to vote against that part and so dispose of that aspect of the bill. Surely he can move such motions when the bill is in committee.

Again may I refer to the decision of Mr. Speaker Lamoureux of January 26, 1971. The hon. member for Halifax-East Hants (Mr. McCleave), seconded by Mr. Richard—who is no longer a member—proposed a motion to send various parts of Bill C-207 to various committees. The hon. member sought to divide that bill, much as the hon. member for Calgary North seeks to divide this bill, and refer its various subject matters to various committees. As recorded on page 286 of the House of Commons *Journals*, Mr. Speaker Lamoureux said:

It is not a reasoned amendment. It is largely a deviation or a change from the old established form of amendment which provides that the subject matter of a bill or a motion before the House be referred to a special committee or a standing committee. What I believe is objectionable from a procedural standpoint in connection with this proposed amendment is that it goes into the details of the bill . . .

My difficulty in accepting the hon. member's proposed motion is that it goes behind the bill and seeks to touch the different parts of the bill by way of an amendment which should normally not be used in this form.

The hon. member for Calgary North wishes to correct the particular failing of his motion by removing all provisions which Your Honour may not find acceptable. I suggest he cannot be permitted to do that. By removing those particular provisions which follow the referral—

Mr. Speaker: Order, please. I do not think we need to waste time on that point. The hon. member for Calgary North (Mr. Woolliams) put the matter accurately. The permission of the House must be sought for removing the offensive words, not the permission of the Chair. This can only be done with the permission of the House. If I found the words offensive, I understand that the hon. member would expect permission of the House to be forthcoming for removing the offensive words. It cannot be done any other way.

Mr. Blais: Mr. Speaker, may I refer the House to another precedent on point. Again, the hon. member for Calgary North was implicated, and I use that word advisedly and, refer Your Honour to the House of Commons *Journals* for January 23, 1969. The House was dealing with an omnibus criminal bill, and the hon. member tried to do exactly what he is now trying to do in slightly different form. The motion then before the House was that—

—the . . . standing committee be instructed to make and bring into the House four separate reports—

Those four separate reports related to various clauses of the omnibus bill. As recorded on page 617 of the *Journals*, Mr. Speaker Lamoureux said, in part:

As I stated at the outset, a close scrutiny of precedents and authorities, I suggest to hon. members in all humility, leads to the conclusion that a motion to divide a bill by way of an instruction to a committee cannot be entertained at this particular stage of the House's proceedings.

Mr. Speaker Lamoureux went on to say, as reported on page 618:

The hon. member for Calgary North has advanced the suggestion that the significance of second reading has been altered by the new rules, and he expounded this view in a very interesting way this afternoon. Although this is not clear from the rules themselves, I would think this is a fair interpretation of the new relevant standing orders. The vote on second reading is less a vote on the principle of the bill and more a decision of the House to send the bill on for further consideration at subsequent stages of proceedings. If this interpretation is correct, it seems it should now be even less difficult for honourable Members to vote either for or against the main motion, since such vote would not constitute either approval of, or opposition to, the principle of the several propositions contained in the omnibus bill.

I suggest that the wording of Standing Order 47 is conclusive. It reads:

A motion to refer a bill, resolution or any question to a committee of the whole, or any standing or special committee, shall preclude all amendment of the main question.

In conclusion, I suggest that the entire amendment proposed by the hon. member for Calgary North is unacceptable.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I first suggest to the Parliamentary Secretary to the President of the Privy Council (Mr. Blais) that Standing Order 47 does not apply. Before us is a motion for second reading, not a motion to refer. That is the main part of the motion, namely, second reading. Actually, I am puzzled as to what Standing Order 47 means. A number of years ago we used to move one motion, that the bill be now read a second time. After second reading, the appropriate minister moved another motion, to refer the bill to committee of the whole or to a standing committee. Similarly, on third reading, we moved that the bill be read the third time. After that there was another motion, that the bill do now pass and that the title be as on the order paper. I suspect that Standing Order 47 was drafted long before we made these changes, whereby we combined the two motions on second reading as well as on third reading. At any rate, to use Standing Order 47 as an authority for the proposition that you cannot move an amendment to the second reading motion is stretching the old rule very far.

The Parliamentary Secretary to the President of the Privy Council suggested that the hon. member for Calgary North (Mr. Woolliams) had two options: he could move a hoist, or move a reasoned amendment. I suggest the hon. member for Calgary North has a third choice. He can move a hoist, a reasoned amendment, or avail himself of citation 386 of Beauchesne's fourth edition to move a motion calling for the bill not to be read a second time but for the subject matter to be referred to the standing committee. That, I suggest, the hon. member has done, and he is perfectly within his rights. But he ran into trouble, as he himself knows, by not making the motion a simple reference of the subject matter to the standing committee. He added a phrase which seems to call for the bill itself to be referred to committee "for the purpose of considering a more proper legislative division thereof"—in other words, a more proper legislative division of the subject matter of the bill. The latter wording is the trouble, as my hon. friend agrees. I think the hon. member's purpose would be served if the motion were to end with the words "Justice and Legal Affairs". I hope Your Honour will so find.

The parliamentary secretary's suggestion that the hon. member should not be permitted so to change his motion is the ultimate in being ridiculous. The hon. member need merely ask the next Conservative speaker to move that the bill be not read the second time but that the subject matter be referred to the Standing Committee on Justice and Legal Affairs, so why not let him alter his amendment accordingly? I do not support the substance of that amendment. I think the bill should go to the committee and the committee should work on the bill. But I defend strongly the right of the hon. member for Calgary North to move the motion ending with the words "Standing Committee on Justice and Legal Affairs".

● (1530)

Hon. Ron Basford (Minister of Justice): Mr. Speaker, with all the learned members who have entered this debate, I hesitate to enter it. However, I wish to bring to your attention the fact that I consider the amendment moved by the hon. member for Calgary North (Mr. Woolliams) out of order for the reasons stated by the parliamentary secretary to the House leader. I also wish to bring to your attention Standing Order 46, which states very clearly that when a question is under debate no motion is received unless to amend it; to postpone it to a day certain; for the previous question; for reading the orders of the day; for proceeding to another order; to adjourn the debate; to continue or extend a sitting of the House; or for the adjournment of the House.

Quite clearly, the hon. member's motion falls within the first category, namely, a motion to amend it. However, the motion before the House is that the bill be not now read the second time. The motion to amend, even if the House agrees with the hon. member's deletion of the words that he may require, in substance is that the bill be not now read the second time. I would refer Your Honour to Beauchesne's citation 202(12) which states that an amendment proposing a direct negative, though it may be covered up by verbiage, is out of order. The motion before the House is that this bill be now read the second time. The motion of the hon. member for Calgary North is a direct negative of that motion, and by reason thereof is out of order.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I shall not go over all the ground so ably covered by the hon. member for Calgary North (Mr. Woolliams) and the hon. member for Winnipeg North Centre (Mr. Knowles), but I certainly want to go over some of the ground that the Minister of Justice (Mr. Basford) just now attempted to foist upon Your Honour when he made the argument that the motion put forward by the hon. member for Calgary North in effect is a direct negative to the second reading of the bill. I suggest that is not so. I suggest the purpose that would appear from the full version, which may not be accepted, is to have a very polyglot measure dealing with five or six items of law sorted out so that it can come back to us in some form in which members could give it an intelligent vote. I suggest it is that simple.

The Minister of Justice did not argue the point for very long. I think perhaps the reason is that he did not have any long argument to make. Obviously, it is not a direct negative. I believe the argument of the parliamentary secretary has been shot down very well by the hon. member for Winnipeg North Centre, but I will take my own shot at the lame duck as it approaches the ground. I suggest there are only two possible ways one may change motions for second reading and referral of bills to committees. One is the principle of the reasoned amendment; the other is the hoist. The parliamentary secretary, I think, made the error of saying that the vote on second reading must always be against the principle of the bill. Certainly we must agree, in respect of the case of anyone who has been lucky enough to get a reasoned amendment accepted by the Chair, that this situation obviously suggests that the bill should not be read the second time. So obviously the reasoned amendment is against the principle of the bill.

However, a hoist may be considered as much a matter of substance or procedure; that is, it may be considered a device operating against the principle of a bill; but it may also, I would suggest to Your Honour be considered as a device to get a contentious issue out of the way in a particular parliament and have it come back again at a future time. Members may have two very different motives for voting for a hoist. The third point the parliamentary secretary did not mention, but which the hon. member for Winnipeg North Centre did mention, is the use of the procedure under citation 386.

I suggest there are no closed categories with regard to the type of motion that can be presented on second reading. It can be against the principle being discussed. It can be against the type of the bill by way of a reasoned amendment. It can be against dealing with the bill immediately by way of the six months' hoist, and it can also be, as the hon. member for Calgary North brought in, by a measure to have it taken out and looked at by a committee and somehow brought back in more intelligible form and then the vote can start on whether the bill or portions of it should be read the second time.

Mr. Speaker: Order, please. I do not propose to deal with the matter definitively now, but there are some matters which I believe I can clear up. I do not think there is any difficulty in understanding the motive behind the amendment. It is an omnibus measure, and frequently when such measures are put before the House there is an attempt in one way or another to either split the bill directly by way

of a motion or, as is attempted at the present time, to send the bill to another body for consideration of those factors which might lead to the advisability of dividing the bill in some other way.

As I say, I do not think there is any difficulty in understanding the basic motive behind this particular amendment. Neither do I have any difficulty in understanding that the hon. member for Calgary North (Mr. Woolliams) or any other hon. member is perfectly entitled, not by way of a reasoned amendment but by way of citation 386 of Beauchene's to move an amendment which might, if one were to attempt to analyse it, appear to be what is described as an expanded negative but which is so well established in our practice as to be beyond question. That is to say, the hon. member has the right, as do other hon. members, to put an amendment that the bill be not now read a second time and that the subject matter be referred to some other body for consideration provided it is the subject matter that is referred and not the bill, and provided, also, that the other body is a body that is in existence and not about be to called into existence. Therefore, up to that point there does not seem to be any argument.

What is solely in issue here is whether or not the hon. member puts himself out of court, as it were, by adding the words which have been referred to. At that point the Chair has some considerable difficulty, not simply because of understanding the nature of that language or the difficulty it might put the committee in, but really about whether or not we want to get into a practice or encourage a practice which might lead to the proliferation of different language in respect of second reading amendments which might cause such a variety to be put forward that really second reading amendments would be limited only by the imagination of the proponents. That is really the question. It has to do with the kind of policy we want to follow. But certainly there is no difficulty about the ability of the hon. member to put an amendment forward which would stop after the words "legal affairs". The question the Chair must decide now, after all the argument which has been most helpful, is solely whether the hon. member has disabled himself by adding the extra language. Perhaps after further consideration by the House of Bill C-61 I might be able to dispose of that matter before the return to further debate on this particular motion before the House.

Order, please. Orders of the day.

* * *

MARITIME CODE ACT

MEASURE TO PROVIDE A MARITIME CODE FOR CANADA

On the order:

March 5, 1976—Resuming consideration of report stage of Bill C-61, an act to provide a maritime code for Canada, to amend the Canada Shipping Act and other acts in consequence thereof and to enact other consequential or related provisions, as reported (with amendments) from the Standing Committee on Transport and Communications.

Mr. Speaker: I understand this is the resumption of the debate on this particular motion.

Mr. Forrestall: I rise on a point of order, Mr. Speaker. It had been understood, because of Your Honour's consideration of the amendment and the procedural points in front of us, that we would continue with Bill C-83 and would move to Bill C-61 at five o'clock; that there would be a short debate on motion No. 9 and that the bells would be rung some time between five o'clock and six o'clock. If there have been some other arrangements, perhaps we had better go behind the curtains, because very clearly this is not the understanding that was left with us.

Mr. Knowles (Winnipeg North Centre): At five o'clock it will be private members' hour.

● (1540)

Mr. Blais: Mr. Speaker, it was my understanding that the order which you called would be the first order called after the particular argument, which has now been disposed of, had been dealt with. There is private members' hour at five o'clock and it was our information—and we had advised hon. members of it in the usual way—that private members' business would be dealt with at five o'clock.

Mr. Paproski: Mr. Speaker, I think it was pretty well agreed that this is the way we would deal with Bill C-61. I believe that motion No. 9 still has to be disposed of. A member of our party wishes to say a few words with regard to motion No. 9, following which we can dispose of the whole bill before five o'clock.

Mr. Speaker: Is it understood, and agreed, that the House will now move to the consideration of motion No. 9 which still remains outstanding at the report stage of Bill C-61, and that upon its disposal the several deferred divisions will be called? Thereafter, I hope to be in a position to make a ruling on the amendment standing in the name of the hon. member for Calgary North (Mr. Woolliams). Is this agreed?

Some hon. Members: Agreed.

The House resumed consideration of Bill C-61, to provide a maritime code for Canada, to amend the Canada Shipping Act and other acts in consequence thereof and to enact other consequential or related provisions, as reported (with amendments) from the Standing Committee on Transport and Communications.

Hon. Otto E. Lang (Minister of Transport) moved motion No. 9:

That Bill C-61, an act to provide a maritime code for Canada, to amend the Canada Shipping Act and other acts in consequence thereof and to enact other consequential or related provisions, be amended in schedule III by striking out lines 28 and 29 at page 59 and substituting the following therefor:

"(2) The minister shall provide a suitable place for".

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in dealing with this final motion which appears on the order paper in connection with Bill C-61 I think I can be very brief and simply recount to Your Honour and to the House what transpired during the course of our committee work with respect to the particular section dealt with in motion No. 9.

As we considered clause by clause the various sections set out in schedule III, it came to the attention of some hon. members that there was a question in their minds about the propriety, as they saw it, of making a reference

in this statute to the National Capital Act and the national capital region in connection with the location of the central registry that is established under the legislation.

I think it is fair to say that there were mixed views on this subject around the table in the committee, but simply to avoid any difficulty which this problem might cause for some members in dealing with this piece of legislation it was decided, in the interests of expediting the work of the committee on Bill C-61, to delete reference to that statute and to that region and simply in substitution to give the minister power to designate where the location of the headquarters should be.

In making that amendment at the committee stage we omitted, unfortunately, to make a consequential amendment in the statute to make a subsequent section in the legislation correspond with the section that we amended in the committee. Motion No. 9 does nothing more than simply make that consequential amendment to ensure that all sections in the act are consistent on this point. I commend this amendment to members of the House.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, this amendment which has been moved by the government has perhaps removed one of the technical objections which could be made to the bill. However, there is a wide range of technical objections which this and the other amendments do not accommodate. For instance, I should like to draw to your attention and that of the House, and particularly the attention of the minister, the fact that prior to the introduction of this bill, and as an initial announcement of policy, the former minister of transport, the now Minister of the Environment (Mr. Marchand), assured the Atlantic provinces' premiers that there would be safeguards for coastal industries in Canada, particularly in the Atlantic area.

These safeguards, of course, would cover a wide range of problems which include the adequacy of the supply of boats, the containment of the rate, the maintenance of the service, and in general ensure that coastal industries would not be unfavourably affected by the introduction of this legislation either in respect of service or in respect of the economic impact that this legislation might have upon them.

Secondly, there should have been a safeguard that there would be maintenance of existing competitive rates and that these would not be adversely affected for those who would ship goods by land. To date, these safeguards have not been forthcoming. Thirdly, the minister indicated there would be participation by the provinces in the formation of regulations in respect of the bill, and that prior to the enactment of legislation these regulations would be approved by the premiers of the Atlantic area. This has not happened.

Fourthly, we were assured that the federal-provincial committee which deals with transportation matters and transportation regulations would be given an opportunity to monitor the situation as the effects became apparent. To date, no such opportunity has been presented to the provinces to do this in co-operation with the government, and the regulations as submitted by the Department of Transport have not been accepted by the Atlantic provinces' premiers. We are, then, in a position of having accepted this bill in principle—a bill which, however, is not in accord with the agreement and the commitment of the predecessor of the present Minister of Transport (Mr. Lang).

As I understand it, the premiers of Atlantic Canada have asked the Minister of Transport that this bill not become law until such time as these safeguards have been honoured by the Minister of Transport and the government in general. I think, therefore, that we are going at a rather precipitous rate with this bill and that this amendment is very much in order. It points out some of the anomalies which exist and some of the efforts which the government is making to accomplish some things which are not acceptable to Canada as a whole and to the Atlantic provinces in particular.

Where will he get these safeguards? It would be impossible, I submit, for the people of Canada to know exactly what the economic effects on this nation will be unless the government were to study the economic effectiveness, as others have suggested, or to have a cost-benefit study. In some instances, should we not determine whether or not we should have a cost disadvantage study? I have no objection to—as a matter of fact, I support—the principle of the establishment of a marine code and a Canadian merchant shipping structure as proposed in this bill, but like so many other items that have been introduced by this government, it is only part of the package; it is only the tip of the iceberg.

● (1550)

It is high time the government answered some of these questions. They have been posed in committee. There have been no answers by the minister or his parliamentary secretary. No answers have been given to us by any member of the staff of the Minister of Transport, and to the best of my knowledge and belief the Atlantic premiers have not received the assurance they requested, that the economies of the Maritime structure will be preserved or monitored or in any way safeguarded as initially promised.

One of the principal facets of transportation, not only in the Atlantic region but in Canada, is the fact that we have both land and water transportation opportunities. As a result of this, the land rates have very often been based upon what it would cost to transport the same item by water. There is a multitude of items which fall into this category, and they move from Thunder Bay to the Atlantic area, from the Atlantic area to Toronto, the Atlantic area to Hamilton and from British Columbia to Thunder Bay or the east coast. Item after item is rated by the rail transportation structure of Canada at a water competitive rate.

The rates, for instance, which have been extended to the B.C. forestry industry for the movement of their product eastward is very low relative to a multitude of other rates, because the railroads estimate that this product could be moved from B.C. to eastern Canada by water at this particular rate. All these things may very well disappear unless, as was mentioned earlier, the committee gets the authority to monitor what is taking place. The government has steadfastly refused to present to the House or to the committee the regulations which have been submitted for approval to the Atlantic premiers. We understand that there have been some negotiations with respect to these

regulations. There was a news release with respect to these regulations in which some objections were expressed. Part of that news release reads as follows:

> The Honourable Wilfred Bishop, New Brunswick Minister of Transportation, expressed the concern of the Atlantic ministers in the proposed changes to the coasting trade laws of Canada. All ministers thoroughly endorsed the maritime code now before parliament and were assured by Mr. Lang that the federal government will hold further consultations with the provinces before the new regulations are introduced under the code.

But bear in mind that the Atlantic premiers, in December of 1975, requested that the bill not be passed until these regulations were approved by the Atlantic area, in compliance with the assurance given by the former minister of transport who advised the present minister of the positions which had been taken. Let me cite some examples of cost which can occur as it is presently understood. If this can be effectively denied, I will have no quarrel, but so far I have heard no denial in spite of the search I have made for information. Labrador Liner Board has been advised that under the regulations presently proposed it would cost $650 per day for the ships which they use—one usually, and two at least part time, for approximately seven months of the year. Their additional cost, as they understand the proposal, is $650 per day per ship for the movement of their wood products from Labrador to the Liner Board plant on the island. This is indicative of at least one of the costs.

As I mentioned earlier, comparable legislation in the United States has put the state of Washington in an unsatisfactory competitive position on the east coast of the United States. This legislation will put British Columbia and its lumber products in an unsatisfactory competitive position on the east coast of Canada. Under this structure, Washington lumber could conceivably move into eastern Canada quite a bit more cheaply in international bottoms than could British Columbia lumber, except for one thing: there has been a suggestion that there may be an exception for B.C. lumber. This is not a firm suggestion, but there has been the suggestion that B.C. lumber might move as an exception to the regulations of this legislation. I think Atlantic Canada, and all Canada for that matter, should know, if exceptions are made for B.C. lumber, are exception to be made for east coast products?

One of the things which I think is misunderstood in the consideration of this bill is that we are not talking in terms of 100,000-ton vessels or 150,000-ton vessels. We are talking in terms of small vessels for coastal trade, in the main, excepting perhaps traffic between the Pacific and the Atlantic which might consist of larger ships. However, basically the coastal trade in going to be moved in relatively small ships, and as a result of this the cost of the small ship is going to rise much faster than it would in the case of the larger ship.

I say this because the Canadian Shippers' Association pointed out to the committee that it had been able to reduce shipping fares under certain conditions comparable to the marine code as it applied in the Great Lakes and the St. Lawrence systems. However, there have been two factors which I do not think are applicable to the general coastal trade of Canada. One is that as the St. Lawrence Seaway was deepened, locks were made capable of carrying bigger ships—bigger ships came into use and an economy of scale was introduced.

Second, and at about the same time, although not exactly coincidental, massive shipments of bulk products from Sept-Isles to Great Lakes' points made a possible two-way trip for a boat. It could have a load coming and going, with a little dead space in between, I agree, as it went from, perhaps, a steel port to a grain port on the lakes or as it went from a grain port to Sept-Isles in the St. Lawrence system. Therefore, though economies were exercised as a result of an opportunity for two-way hauls, when a comparable law applied in the seaway I do not see comparable opportunities for economies as we refer to the coastal trade of Canada. I think this should be taken into consideration and all hon. members of the House should recognize that in the main we are talking about a small ship transportation structure.

I am sure the Minister of Transport does not wish to impose anything detrimental on any area of Canada, but if we explore the water competitive structure I wonder if the minister knows that the freight rate on Prince Edward Island potatoes—perhaps the Minister of Veterans Affairs (Mr. MacDonald) would be particularly interested in this—as they are shipped to Canadian points is established on the estimated cost of moving potatoes on an historical basis to water points in Canada such as Montreal and Toronto. That is how that rate has arrived at the level it is today. If by any chance the implementation of the Maritime Code produces a substantial rise in the cost of transportation by water estimated for potatoes from Prince Edward Island to Toronto, that same increment in rate will apply to potatoes from P.E.I. as they are moved by rail from P.E.I. to Toronto or Montreal. These are the broadening effects that this bill can have.

● (1600)

This, of course, would apply to the same product in New Brunswick, because the New Brunswick rate on this product to the inland areas of Canada is competitive with Prince Edward Island. Therefore, if the Prince Edward Island rate rises because water competitive rates rise, the New Brunswick rate will rise as well. This imposes very serious hardship on one of the sources of income for Prince Edward Island and New Brunswick. We are not talking of imaginary things when we talk of these inequities, Mr. Speaker. We are talking of real things by example from other jurisdictions. We are talking of the effect of the Jones Act in the United States. This will have identical effects in Canada. It will require a federal subsidy to keep the rates at the present level or to protect the water competitive rates as we know them today. No witness who has appeared before the committee on behalf of the minister, the minister or his parliamentary secretary, is prepared to give an assurance to any part of Canada that any of these items will be monitored and regulated or that exceptions will be made in order to control costs.

Last night I had representations from the feed industry of the Atlantic area. They pointed out that not too long ago the rail rates for feed grains transported to the Atlantic area had dropped by $3 per ton in the last five years. This did not take place because the rails found they could transport grain more cheaply than before, but because of the private enterprise of the entrepreneurs who moved grain by water to Halifax, to Summerside and to Fort

William to obtain a cheaper rate. The rail rates came down accordingly.

On behalf of farmers in the Atlantic area, I ask the Minister of Transport for assurance that the livestock industry in the Atlantic area and eastern Quebec will be monitored, that costs will not go up, that water competitive opportunities will remain for receivers and shippers of products related to the coastal areas of Canada. If there is to be an exception for British Columbia, as was suggested during debate, an equal opportunity for exception should be extended to the Atlantic area or any other area where it is required.

There have been estimates as to costs. It has been estimated that transportation costs of petroleum products from coastal refineries to central Canada would increase by 40 per cent as a result of implementation of this bill. I wonder if the minister could assure the House and the Atlantic refineries that such is not the case. If it is the case, could he give an assurance that Atlantic refineries will be protected, or that consumers of their products in the province of Quebec will be protected against increased transportation charges brought about by implementation of this bill?

Let me repeat what I said in my opening remarks, Mr. Speaker. This is not an objection to a particular proposal of a maritime code; it is an objection to the fact that the bill involves only part of the total package. It has given no consideration whatsoever to the economic impact which might be pressed upon the coastal areas of Canada or even the lakehead areas of Canada. If it is brought into effect, it will impose hardships on the coastal areas against which other areas are protected. While feed grains may cost more in the Atlantic area, the Crowsnest pass rate remains in place. I do not quarrel with that, but I do quarrel with an increase in feed costs in the Atlantic area.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired. We are at report stage on a motion before the House, not on the whole bill, and the hon. member has spoken for 20 minutes which is the time allotted to him.

Mr. McCain: Mr. Speaker, I wonder if I could have enough time for two more sentences.

Mr. Deputy Speaker: Does the House agree?

Some hon. Members: Agreed.

Mr. McCain: Mr. Speaker, I want to cite one more example. Since the opening of the Atlantic seaway there has been no change in rates, to the best of my knowledge and belief. There have been cost increases in the movement of ships through the mouth of the St. Lawrence, through the canal and into the lakes. I hope the Minister of Transport will assure the coastal areas of Canada that they will receive the same treatment as grain shippers in the prairies and those who receive service from the St. Lawrence Seaway and its connecting services.

Mr. Baker (Grenville-Carleton): Mr. Speaker, there was a discussion with respect to the form of the legislation that we are dealing with. Perhaps I should deal with that, and then the parliamentary secretary may have something to say about it. At page 59, lines 26 and 27, there is appended to the form of the bill as it came from committee the following words:

—described in the schedule to the National Capital Act.

My understanding is that these words were deleted or, as a result of the findings of the committee, were held to be unnecessary to the statement of the statute. I hope that before we finish debate today we can have the consent of the House to delete these words. I understand there is no difficulty with respect to that and perhaps we could deal with it later. I should like to say something about the amendment itself.

Mr. Deputy Speaker: Order, please. We might as well clarify the point now, to make sure that everybody is satisfied with the guarantee. The matter was raised by two hon. members. I think we should proceed with motion No. 9 and the vote on the report stage motions that have been deferred. Then, before putting the question on third reading maybe the House could, by unanimous consent, make the suggested changes.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I agree in principle, but since third reading might not come today perhaps this could be done as a point of order just before we pass the motion for concurrence and report stage, rather than waiting for third reading.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I gather the suggestion of the hon. member for Winnipeg North Centre (Mr. Knowles) is acceptable to the government. It is acceptable to us, and I hope it is acceptable to the Chair. I should like now to turn to the amendment itself. As I started out to say, I want to commend the Minister of Transport (Mr. Lang) for this amendment. I support its intention.

On January 30, 1976, a motion was moved under Standing Order 43 condemning a surreptitious attempt to change the name of the capital city of Canada to the national capital region. That motion was turned down, of course. It had been proposed by the right hon. member for Prince Albert (Mr. Diefenbaker). The bill, as it went to committee, contained a legislative attempt to do exactly the same thing. At least it looked that way.

● (1610)

In terms of the motion under Standing Order 43, it generated one of the largest batches of mail from the Ottawa area that I have received as a member. Ottawa members on all sides of this House commented with respect to the national capital, what it is and what is its name. There was quite violent reaction to an exchange of correspondence between the clerk of the privy council and another with respect to the procedure that might be used to change the national capital. Quite frankly, it looked in the legislation as it went to committee as if this was being carried out. It may well have been the intention of the government to move step by step to gradually change the public thinking in terms of what is the capital city of this country. This is certainly one indication of an intention on the part of the government. I do not know what more we can find than a statement in legislation. Certainly, the way the National Capital Commission in this area has always

described itself as Ottawa-Hull has a tendency to appear to be an attempt to do indirectly what the government heretofore did not have the courage to do directly.

I commend the minister on this amendment as it at least to this extent takes the heat off a subject which can be heated indeed. The clause would read that the minister would provide a suitable place for the appropriate functioning of the office of the registrar, and so on. That is satisfactory. It would remove the very strong feeling that could be generated as a result of the subclause as originally framed in terms of the matters to which I have just alluded.

What is a suitable place? I do not want to advise the government directly on what a suitable place might be. However, I want to make some comments if the government is considering it within the city of Ottawa or some other place within the area described in the National Capital Commission Act as the national capital region. I wish to make some suggestions to the minister, as I assume he will have something to say about the location of the offices of an agency for which he is responsible.

I believe we are making a mistake in the city of Ottawa and the national capital region by continuing the North American phenomena of piling more and more people, offices and installations into the centre of our cities. We are, in effect, creating the potential for large social problems. We have an opportunity in Canada because our country is not yet developed to the extent of the United States. Although it is a little larger in geographic area, it is much smaller in terms of population. Because of this, we have an opportunity in all the larger cities in Canada to take a look at the direction in which we are moving. When the minister is considering what is the suitable place for the registry office, I hope he will consider that within the national capital region there are locations outside the central core of the city of Ottawa and even the city of Hull.

There has been an expressed intention on the part of the regional municipality of Ottawa-Carleton to diffuse places of employment of public servants, the main group in this area outside the central core, into the smaller towns and villages in the townships of Nepean, Gloucester, Goulbourn, the village of Richmond and the township of Rideau. This involves their official plans and the over-all planning done with respect to their providing a place for employment and a change of direction in the development of the capital area in such a way that the transportation facilities would be better used. The necessity of developing what might be called super-highways and super-parkways, with all their intrusion into urban areas, could be limited to a great extent. The minister would be doing a great service with regard to the planning of the national capital area if he decided upon a change of direction with regard to this particular agency.

If the minister is looking for a suitable place, I want to remind him of one. At the corner of Baseline Road and Woodroffe Avenue in the city of Ottawa there is a model community planned in terms of commercial operations, office installations and dwelling places being developed by Central Mortgage and Housing Corporation. What concerns me about that whole development is not the fact that it is going there, although that does concern some people, but that to this date there has been no strong federal commitment in terms of placing there some installations of government.

Unless the minister feels that a maritime operation ought to be placed on the banks of the Ottawa River, I can think of no more suitable place for the placement of this type of registry system, because it is the avowed intention of Central Mortgage and Housing Corporation, with the general agreement of the township of Nepean and the regional municipality of Ottawa-Carleton, than to have this as a mixed type of community as I have just described.

There seems to be a lack of commitment by the federal government in terms of placing their installations in that development. It is important that we make a commitment to that area, not just because of crowding in the downtown area of the national capital but because there is an opportunity here to show in a rather unique way that there can be places outside the central core, in accordance with these official plans, for government installations that are not farms of laboratories but offices.

The hon. member who represents the great city of Pembroke said it might be a good idea to place this in Pembroke. I could not agree with that because of the particular wording of the statute. If the registry system is to be centralized, as this government seems to think it ought to be, it is not unreasonable to centralize it somewhere within the national capital area. Regardless of the aspirations of the City of Pembroke, it is not within the national capital region.

● (1620)

I know the Minister of Transport (Mr. Lang) does not have authority for planning within the national capital region. I sometimes wonder who does have such authority in terms of the ministry. But the Minister of Transport is a very influential member of cabinet and I would ask him and his officials, when they are looking for a suitable place, to consider that there might be an equally valid argument affecting the development of the national capital. Are we always to centralize and bring buildings to the downtown core, or are we to take advantage of the amenities which are available in the smaller communities in and around the national capital?

Visiting Washington, I see large government installations outside the capital in the surrounding area. If the city is to be a monument, it ought not to be simply a monument to municipal clutter; it should be a monument to thoughtful planning offering a variety of lifestyles. If the minister is looking for a suitable place, I think he ought to consider carefully what a step he would be taking, in an historical sense, by moving one installation of government—and others would follow—into an area within the national capital to which the government has already made a large commitment in terms of planning. It is important that this be considered.

In closing, I commend the minister upon this amendment, one which I think will go a long way toward at least beginning an approach to the question of the national capital in regard to which it can be said that the government is not doing indirectly what it would never try to do directly.

Mr. Deputy Speaker: Order. To make sure there is no disagreement or confusion, I think the minister should speak by consent. He moved the motion, and by doing so he is taken as having spoken. I would ask for unanimous consent.

Mr. Knowles (Winnipeg North Centre): By consent.

Some hon. Members: Agreed.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I appreciate that what you have said is technically the case, and I appreciate the consent given. I must say I am having an uneasy afternoon as a result of the disposition presently shown by members. The kind words of the hon. member for Grenville-Carleton (Mr. Baker) commending me on this change in the bill have shaken me somewhat. I am delighted he has seen the usefulness of moving things out of the central core here. I need not tell hon. members about my own dedication to decentralization, to the notion that a good deal of what is done here can be gradually done elsewhere.

Having said that, I am not sure I would want to look only at the Baseline Road. Since he has decided to march me away from the central core, I will go with the hon. member for Renfrew North-Nipissing East (Mr. Hopkins) and take a look at quarters in that area. I know that hon. members will wish me to look at other places, too, for example, the banks of the Saskatchewan River in Saskatoon, naturally, if we are not bound to consider a coastal position. I shall certainly follow the lead given me by the hon. member for Grenville-Carleton in that regard.

I should like to direct a few remarks to some of the words spoken this afternoon by the hon. member for Carleton-Charlotte (Mr. McCain) and, in particular, to attempt to make the record very clear in relation to my belief in the necessity for full consultation in connection with the regulations. It should be evident that the discussions between my predecessor and the maritime premiers, and with the Newfoundland government as well, indicated an intention to consult with regard to the regulations. But there was no reservation of any kind about moving forward with the maritime code subject to the assurances on consultation. On September 24, 1973, for instance, a release following a meeting between the premiers and the then minister of transport stated:

> The provinces stressed, and it was agreed, that they would participate actively in drawing up regulations governing these safeguards.

It was, therefore, in the regulations that the safeguards were to be found, not in the bill itself as might have been implied. I have, of course, received strong representations from members of parliament as well. For instance, the hon. member for Vancouver East (Mr. Lee) has spoken to me many times on this subject, drawing attention to the need to ensure that most significant changes to disadvantaged coastal shipping, or those affected by the freight rates, would be made without full consultation. I have, of course, given such an assurance myself to the ministers in recent meetings both on the west coast and on the east coast—to the eight ministers of the provinces to the west and to the east—that there would be full consultation on the regulations before they were adopted.

[Mr. Baker (Grenville-Carleton).]

Therefore, in answer to the hon. member for Carleton-Charlotte, I can say that full consideration will be given to his concern about pricing and cost of shipping before the regulations under this act are adopted. I am very conscious of the desirability of full consultation. My policy is, basically, one of open consultation, and in view of the apprehension regarding shipping costs and my feeling that it is important that all parties should make an input, I have undertaken with members of parliament that there shall be full consultation with them, too, prior to the move toward regulation. Indeed, I have asked for, and received agreement from two hon. members, the hon. member for Comox-Alberni (Mr. Anderson) and the hon. member for Saint John-Lancaster (Mr. Landers), that they will co-chair an informal committee of members of parliament to look at regulations.

Through this method all members who have an interest in safeguarding their regions can make an input. I know that members such as the hon. member for Carleton-Charlotte and the hon. member for Dartmouth-Halifax East (Mr. Forrestall) who have shown particular interest in this subject, not necessarily from identical viewpoints, will want to make an input as well.

I simply want to assure the hon. members that as this amendment moves forward, these consultations—which have been agreed to before—are now doubly assured and that it is our intention to hold the widest consultations possible before we move to specific regulations under this act.

Mr. J. M. Forrestall (Dartmouth-Halifax East): In addressing myself to motion No. 9, I wonder if I may make an observation with respect to the reassurances given us just now by the minister. The difficulty faced by the maritime economy, the council of maritime premiers and the government of British Columbia, and certainly, to some degree, by the province of Quebec and the province of Newfoundland, is that the words of ministers in the government cannot be trusted. Of course the minister is sincere when he says that consultation will take place and he is setting up a committee. I might say I found that absolutely ridiculous—that he was setting up a committee headed by the hon. member for Saint John-Lancaster (Mr. Landers). I can understand his naming the hon. member for Comox-Alberni (Mr. Anderson) who does have some interest, but for the hon. member for Saint John-Lancaster to head up a committee, with the hon. member for Comox-Alberni to produce regulations under the bill, is ridiculous. I doubt whether he has even read the bill or knows anything at all about shipping. I think this would be a great insult to the former member for Saint John-Lancaster who fought both inside and outside this chamber for the re-establishment of a Canadian merchant fleet.

● (1630)

We appreciate the indication given by the minister that he will let the members of this chamber make some consultative input on the question of regulations, but our concern is that the government must demonstrate its intentions in some way or another, and not simply with words, which have nothing to do with what the CNR will charge for the movement of a carload of potatoes or a boat load of lumber from the west coast of Canada to the east coast. The words

must be in the statute. I am sorry the minister is leaving. I understand he has cabinet committees and we appreciate his participating for at least five minutes this afternoon.

As much as I support this bill and the concept that we are talking about this afternoon, the words of caution expressed this afternoon, in committee and last week are words that we cannot treat lightly. We have no reasonable grounds, as members of this chamber, to go back to our maritime provinces and to the west coast and to tell the governments, the people and the industries in those provinces that we are satisfied that the government will not let this bill impair the ability of commerce to move goods from one point in Canada to another without seriously affecting the cost of so doing. We all know where that cost will wind up—in the consumers' pockets. It will result in increased prices for homes and vegetables.

I had thought that the least the minister could do this afternoon was to give us, with some emphasis, an outline of what he expected to do with respect to the regulations; to build in words that would import the type of safeguards that we require in the regulations.

As for motion No. 9, Mr. Speaker, it is quite acceptable to us. It is a consequential amendment. With respect to the error that appears in the reprinted version of the bill, I think the authoritative document must continue to be *Votes and Proceedings*, in which the amendment moved and carried in committee is correctly recorded. Having said, that, I would just echo the sentiment expressed by our distinguished House leader, that it was only the perception of members of the committee that caught this devious attempt to import by way of statute, indeed, to defile the maritime code or attach to it the remotest possibility that at some point in the future the government would say, "We have been doing this for a long time. Look at the maritime code which describes Canada's capital as 'Ottawa-Hull'." We are aware of the origin of the phrase "national capital region" and we are aware of the National Capital Act. I am also pleased that the government recognizes that the maritime code is hardly the statute into which to import the basis and structure for the renaming of the capital of Canada.

With those one or two reservations I think we are prepared to concur in the report stage of this bill. But again I say to the members of this chamber that as much and as strongly as I feel for this bill, as great are its advantages to the development of a segment of the Canadian transportation industry which can stand on its own, a massive industry which could bring back to us $2.5 billion in foreign exchange and create 7,000 new jobs, give us 175 ships sailing the waters of the world, the reservations that have been voiced are even stronger because they affect the commerce and industry of Canada.

We require a much clearer assurance from the Minister of Transport when this matter moves into third reading; otherwise we will have to reconsider how we stand on the matter, so serious is it to us. In closing, I want to express my appreciation to the parliamentary secretary for his many courtesies over the last few months in connection with this particular measure.

Motion No. 9 (Mr. Lang) agreed to.

Maritime Code

Mr. Deputy Speaker: The House will now proceed to the taking of recorded divisions in relation to Bill C-61, an act to provide a maritime code for Canada, to amend the Canada Shipping Act and other acts in consequence thereof and to enact other consequential or related provisions.

Shall motion No. 2 carry?

The House divided on motion No. 2 (Mr. Forrestall) which was negatived on the following division.

● (1640)

(*Division No. 113*)

YEAS

Messrs.

Alexander
Alkenbrack
Andre
(Calgary Centre)
Baker
(Grenville-Carleton)
Benjamin
Brisco
Caouette
(Villeneuve)
Caouette
(Témiscamingue)
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Coates
Crouse
Darling
Dick
Dionne
(Kamouraska)
Douglas
(Nanaimo-Cowichan-The Islands)
Ellis
Epp
Fairweather
Forrestall
Fortin
Gauthier
(Roberval)
Gilbert
Gillies
Grafftey
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Hargrave
Hees
Hnatyshyn
Hogan
Holmes
Howie
Jarvis
Johnston
Kempling
Knowles
(Winnipeg North Centre)
Knowles
(Norfolk-Haldimand)
Korchinski
La Salle
Lawrence
Leggatt
MacDonald
(Egmont)
MacDonald (Miss)
(Kingston and the Islands)
MacKay
MacLean
Marshall
Masniuk
Matte
Mazankowski
McCain
McCleave
McKenzie
McKinley
McKinnon
Muir
Neil
Nowlan
Paproski
Peters
Reynolds
Ritchie
Roche
Rondeau
Rynard
Saltsman
Schellenberger
Schumacher
Scott
Skoreyko
Smith
(Churchill)
Stanfield
Stevens
Stewart
(Marquette)
Symes
Towers
Wenman
Whiteway
Whittaker
Wise
Woolliams—82

NAYS

Messrs.

Abbott
Allmand
Anderson
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Blais
Blaker
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Chrétien
Clermont
Comtois
Condon
Corriveau
Cyr
Daudlin
De Bané
Demers
Dionne
(Northumberland-Miramichi)
Douglas
(Bruce-Grey)
Drury
Dupont
Dupras
Duquet
Ethier
Fleming
Flynn
Foster
Fox
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)

Maritime Code

Messrs.

MacEachen
MacFarlane
MacGuigan
Maine
Marceau
Marchand
(Langelier)
Martin
McIsaac
McRae
Munro
(Hamilton East)
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Pearsall
Penner
Philbrook
Pinard
Poulin
Railton
Raines
Reid
Roberts
Robinson
Rooney
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Sharp
Smith
(Saint-Jean)
Stanbury
Stollery
Tessier
Trudeau
Trudel
Turner
Watson
Yanakis
Young—112.

● (1650)

The House divided on motion No. 4 (Mr. Forrestall) which was negatived on the following division:

(*Division No. 114*)

YEAS

Messrs.

Alexander
Alkenbrack
Andre
(Calgary Centre)
Baker
(Grenville-Carleton)
Benjamin
Brisco
Caouette
(Villeneuve)
Caouette
(Témiscamingue)
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Coates
Crouse
Darling
Dick
Dionne
(Kamouraska)
Douglas
(Nanaimo-Cowichan-
The Islands)
Ellis
Epp
Fairweather
Forrestall
Fortin
Gauthier
(Roberval)
Gilbert
Gillies
Grafftey
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hamilton
(Swift Current-
Maple Creek)
Hargrave
Hees
Hnatyshyn
Hogan
Holmes
Howie
Jarvis
Johnston
Kempling
Knowles
(Winnipeg
North Centre)
Knowles
(Norfolk-Haldimand)
Korchinski
La Salle
Lawrence
Leggatt
MacDonald
(Egmont)
MacDonald (Miss)
(Kingston and the
Islands)
MacKay
MacLean
Marshall
Masniuk
Matte
Mazankowski
McCain
McCleave
McKenzie
McKinley
McKinnon
Muir
Neil
Nowlan
Paproski
Peters
Reynolds
Ritchie
Roche
Rondeau
Rynard
Saltsman
Schellenberger
Schumacher
Scott
Skoreyko
Smith
(Churchill)
Stanfield
Stevens
Stewart
(Marquette)
Symes
Towers
Wenman
Whiteway
Whittaker
Wise
Woolliams—82.

NAYS

Messrs.

Abbott
Allmand
Anderson
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Blais
Blaker
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Chrétien
Clermont
Comtois
Condon
Corriveau
Cyr
Daudlin
De Bané
Demers
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Drury
Dupont
Dupras
Duquet
Ethier
Fleming
Flynn
Foster
Fox
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacEachen
MacFarlane
MacGuigan
Maine
Marceau
Marchand
(Langelier)
Martin
McIsaac
McRae
Munro
(Hamilton East)
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Pearsall
Penner
Philbrook
Pinard
Poulin
Railton
Raines
Reid
Roberts
Robinson
Rooney
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Sharp
Smith
(Saint-Jean)
Stanbury
Stollery
Tessier
Trudeau
Trudel
Turner
Watson
Yanakis
Young—112.

● (1700)

Mr. Speaker: I declare the amendment lost. The question is therefore on motion No. 6.

The House divided on motion No. 6 (Mr. Forrestall) which was negatived on the following division:

(*Division No. 115*)

YEAS

Messrs.

Alexander
Alkenbrack
Andre
(Calgary Centre)
Baker
(Grenville-Carleton)
Benjamin
Brisco
Caouette
(Villeneuve)
Caouette
(Témiscamingue)
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Coates
Crouse
Darling
Dick
Dionne
(Kamouraska)
Douglas
(Nanaimo-Cowichan-
The Islands)
Ellis
Epp
Fairweather
Forrestall
Fortin
Gauthier
(Roberval)
Gilbert
Gillies
Grafftey
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hamilton
(Swift Current-
Maple Creek)
Hargrave
Hees
Hnatyshyn
Hogan
Holmes
Howie
Jarvis
Johnston
Kempling
Knowles
(Winnipeg
North Centre)
Knowles
(Norfolk-Haldimand)
Korchinski
La Salle
Lawrence
Leggatt
MacDonald
(Egmont)
MacDonald (Miss)
(Kingston and the
Islands)
MacKay
MacLean
Marshall
Masniuk
Matte
Mazankowski
McCain
McCleave
McKenzie
McKinley
McKinnon
Muir
Neil
Nowlan
Paproski
Peters
Reynolds
Ritchie
Roche
Rondeau
Rynard
Saltsman
Schellenberger
Schumacher
Scott
Skoreyko
Smith
(Churchill)
Stanfield
Stevens
Stewart
(Marquette)
Symes
Towers
Wenman
Whiteway
Whittaker
Wise
Woolliams—82.

NAYS

Messrs.

Abbott
Allmand
Anderson
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Blais
Blaker
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Chrétien

Messrs.

Clermont	Holt (Mrs.)	McRae
Comtois	Hopkins	Munro (Hamilton East)
Condon	Isabelle	Nicholson (Miss)
Corriveau	Joyal	O'Connell
Cyr	Kaplan	Olivier
Daudlin	Lachance	Ouellet
De Bané	Lajoie	Parent
Demers	Lalonde	Pearsall
Dionne (Northumberland-Miramichi)	Landers	Penner
	Lang	Philbrook
Douglas (Bruce-Grey)	Langlois	Pinard
	Laniel	Poulin
Drury	Lapointe	Railton
Dupont	Leblanc (Laurier)	Raines
Dupras	LeBlanc (Westmorland-Kent)	Reid
Duquet		Roberts
Ethier	Lee	Robinson
Fleming	Lefebvre	Rooney
Flynn	Lessard	Roy (Timmins)
Foster	Loiselle (Saint-Henri)	Roy (Laval)
Fox		Sauvé (Mrs.)
Francis	Lumley	Sharp
Gauthier (Ottawa-Vanier)	MacDonald (Cardigan)	Smith (Saint-Jean)
Gendron	Macdonald (Rosedale)	Stanbury
Gillespie	MacEachen	Stollery
Goodale	MacFarlane	Tessier
Goyer	MacGuigan	Trudeau
Guay (St. Boniface)	Maine	Trudel
	Marceau	Turner
Guay (Lévis)	Marchand (Langelier)	Watson
Guilbault		Yanakis
Harquail	Martin	Young—112.
Herbert	McIsaac	

● (1710)

Mr. Speaker: I declare the amendment lost. Motion No. 3 having previously been ordered to be grouped with motion No. 2 for the purpose of voting has been entered with the same result as motion No. 2. Motion No. 5 is no longer with us. Therefore, the question is on motion No. 7. Shall motion No. 7 carry?

Some hon. Members: On division.

Motion No. 7 (Mr. Forrestall) negatived.

● (1720)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Windsor West (Mr. Gray)—Immigration—Admittance of members of Palestinian Liberation Organization to Habitat conference—Government position; the hon. member for Central Nova (Mr. MacKay)—Labour Conditions—Reason for refusal to permit air line employees to prosecute Air Canada; the hon. member for Halifax-East Hants (Mr. McCleave)—Transport—Request for assurance of full use of east coast ports.

GOVERNMENT ORDERS

[*English*]

MARITIME CODE ACT

MEASURE TO PROVIDE A MARITIME CODE FOR CANADA

The House resumed consideration of Bill C-61, to provide a maritime code for Canada, to amend the Canada Shipping Act and other acts in consequence thereof and to enact other consequential or related provisions, as reported (with amendments) from the Standing Committee on Transport and Communications.

● (1730)

Mr. Speaker: I understand that motion No. 9 was carried. I further understand there is some concern about a printing error in the bill that needs to be cleared up before the motion for concurrence can be put.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): That is correct, Mr. Speaker. It is a very simple matter of a printing error. I think there is general agreement in the House about it.

The particular clause in question is clause BII-24 in the third schedule to the bill. It originally appeared on pages 59 and 60 of the first reading edition of Bill C-61. In committee we moved to remove line 41 on page 59 and lines 1 and 2 on page 60, substituting the very simple phrase "shall be established at a place designated in Canada by the minister". That was the amendment. This is clearly recorded in the February 26 edition of *Votes and Proceedings*. Unfortunately when the bill appeared in its reported stage and reprinted, clause BII-24 contained an additional phrase at the end reading "described in the schedule to the National Capital Act". That clearly is not what was in our amendment. *Votes and Proceedings* clearly record the decision taken. That additional phrase was simply added in error. I draw that to the attention of the House. It should be deleted upon reprinting.

Mr. Forrestall: Mr. Speaker, the observations of the parliamentary secretary are quite correct. We agree with that.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, this was drawn to our attention earlier. The comment made by the parliamentary secretary is quite correct, namely, that what the committee did is properly recorded in *Votes and Proceedings* of February 26 at page 1055. I believe that under Standing Order 84 the parliamentary counsel can reprint the bill as corrected.

Mr. Speaker: It is my understanding, from looking at the bill before me, that the French text did not suffer from the same disability. Therefore the order will go that the bill in being reprinted between the conclusion of the report stage and third reading stage will take note of that difficulty, and the printing error will be corrected.

Hon. Otto E. Lang (Minister of Transport) moved that the bill be concurred in.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion is not debatable. I declare the motion carried on division.

Motion agreed to.

* * *

CRIMINAL LAW AMENDMENT ACT (NO. 1), 1976

MEASURES FOR BETTER PROTECTION OF CANADIAN SOCIETY AGAINST CRIME

On the order:

Resuming the adjourned debate on the motion of Mr. Basford:—That Bill C-83, for the better protection of Canadian society against perpetrators of violence and other crime, be now read a second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Speaker: As I indicated earlier, I would be prepared to dispose of the point of order with respect to the bill that was before us and on which I understand debate will resume at eight o'clock this evening. However, I do not want to interfere with private members' hour if it is understood that is going ahead. If there is no understanding about proceeding with it, perhaps I can deal with the very interesting point of order that was raised late this afternoon with respect to the proposed amendment put forward by the hon. member for Calgary North (Mr. Woolliams).

Mr. Woolliams: Mr. Speaker, I had some conversations with reference to this motion. I am prepared to withdraw the words:

—for the purpose of considering a more proper legislative division thereof.

I ask the consent of the House to make that withdrawal. I understand it will be given.

Mr. Basford: Yes, Mr. Speaker, that was the agreement reached with me. What is in effect is the motion in front of you with those words attached.

Mr. Speaker: I might say, with respect to the action of the hon. members involved, that they probably anticipated pretty accurately what the position of the Chair would have to be in this regard. After some careful consideration I have in any case reached that conclusion.

These, of course, are unsolicited remarks by the Chair at this stage. However, my decision would have been to encourage very much a strict interpretation of the language to be used in the second reading amendment, and to recognize that since this was effectively the first time that any hon. member put before me this kind of motion, it would have been expected in accordance with previous practice, at least the first time a new Speaker had been called upon to make a ruling.

Having found those words to be of some procedural difficulty, I would have earnestly asked the House to grant the request now sought to delete those words, and permit the amendment standing in the name of the hon. member for Calgary North (Mr. Woolliams), as opposed to any other, to be reduced to the words "That Bill C-83 be not now read a second time but that the subject matter thereof be referred to the Standing Committee on Justice and Legal Affairs."

Some hon. Members: Agreed.

Mr. Speaker: Consent having been so given, the hon. member has the permission of the House to change the words following "That." Therefore the motion as I have just read it will stand in the name of the hon. member for Calgary North and the House will resume debate on that amendment in the name of the hon. member for Calgary North at eight o'clock this evening. It is so ordered.

Mr. Basford: Mr. Speaker, I am sure that the hon. member for Calgary North (Mr. Woolliams) and I regret that our agreement has deprived the House of hearing your views on the subject.

Order stands.

Mr. Speaker: I understand there is some disposition that the House will now move to private members' hour and Order No. 41 standing in the name of the hon. member for Toronto-Lakeshore (Mr. Robinson).

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CRIMINAL CODE

AMENDMENT RESPECTING PUNISHMENT FOR CRUELTY TO ANIMALS

Mr. W. Kenneth Robinson (Toronto-Lakeshore) moved that Bill C-241, to amend the Criminal Code (cruelty to animals), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, the purpose of this bill as spelled out in the explanatory notes is simply to enable a magistrate, who has imposed a sentence upon a person convicted of an offence of cruelty to animals, also to prohibit such a person from owning, harbouring or otherwise possessing an animal or a bird for a stated period of time, as part of the sentence.

Presently magistrates are limited to fining or jailing any person convicted of cruelty to animals. The vast majority of magistrates are most reluctant ever to impose a jail sentence for this type of crime, and a fine is often an unsuitable punishment since lack of funds may very well have contributed to the cruel treatment which the animals receive in the first place. This kind of provision, prohibiting possession of animals, is a means of meeting this problem.

I am aware that Bill C-71, the Criminal Law Amendment Act, which was passed by this House in January and is currently before the Senate Legal and Constitutional Affairs Committee, contains in clause 35 an amendment to the Criminal Code which, by and large, achieves the same objective as my bill. However, in debate on Bill C-71, debate in which I took part as a member of the Justice and Legal Affairs Committee, the attention of members was

concentrated almost totally on other areas of the bill, with virtually no discussion on the specific clause I have mentioned. This very absence of debate, I believe, indicates to a large degree the wide agreement on the need for the kind of amendment which my bill proposes and which is contained in clause 35 of Bill C-71.

Nevertheless this House should have an opportunity of discussing the specific proposal prohibiting possession of animals for those convicted of cruelty to animals, and indeed the more general question of cruel treatment of animals. This is my purpose in going ahead with Bill C-241 this afternoon.

The scope of my bill, and also that of clause 35 in Bill C-71, are limited to those offences described under Section 402 subsection (1) of the Criminal Code. Those offences do not touch on the controversial and highly emotional aspect of cruelty to animals, particularly wildlife, such as the trapping and hunting of fur-bearing animals, a subject I shall attempt to steer away from today. Rather, they deal only with domestic animals or birds, or animals or birds wild by nature that are kept in captivity.

● (1740)

The type of person who commits an offence under this section of the Criminal Code falls into one of two categories: either he harbours an animal or bird as a pet, or he harbours an animal or bird for profit. The offender in the latter category is by far the more serious not only from a moral point of view but also, in many cases, in terms of the degree and amount of suffering and injury caused.

It can be argued that the pet owner who causes unnecessary pain to an animal, either directly or by neglect, may do so out of ignorance not knowing the proper means of disciplining, training or handling the pet. The same may occur if the owner finds he simply cannot afford the cost or time required in caring for the pet. Of course this argument has no application in many cases where owners have caused damage or injury to their pets, and even where it does apply it is no justification for cruelty to animals. Nevertheless there are considerations which may be weighed in respect of offenders who are pet owners, considerations which are not relevant when the offenders' purpose in owning or harbouring animals is solely to obtain an income.

For those who make their livelihood in part or whole from animals there can be no excuse for cruelty on the grounds of ignorance or economics, or at least there should not be any such grounds. Common sense tells us you cannot run a business without a sufficient knowledge of all the aspects involved. Similarly if one does not possess the financial resources required to run an enterprise effectively and profitably, he must get out of that enterprise.

The successful pet shop owner, breeder or farmer knows his animals or birds and recognizes that his profits are closely related to the investment he makes in his animals, both in terms of care and money. Fortunately this kind of professional in the various animal-related businesses is in the majority, but there are some who believe they can cut corners with regard to the knowledge or proper care of their animals, an attitude which usually results in injury or damage to the animals. It is at this kind of offender that Bill C-241 is aimed and on which the bill should have the most beneficial impact, both as a deterrent and as a means of assisting in enforcement.

A provision prohibiting possession of an animal or bird after conviction for a cruelty to animals offence in effect shuts down an offender's business for a specific period, denying him income from this source. I believe this would be a significant deterrent and I am supported in this belief by a number of people involved with animal welfare organizations. These people have drawn attention to a case in which a farmer showed appalling neglect of a valuable herd of cattle valued at thousands of dollars. At present the only really acceptable penalty for such an offence—ruling out a jail sentence—is a fine. Normally such fines have little value as a deterrent. After all, a fine of $100 or $200 is little more than a nuisance tax when one is talking about a herd of cattle worth many thousands of dollars. If the manner of treatment of an individual's livestock can result in the loss of that livestock, much greater care will be paid to it.

The provision prohibiting possession of animals could also assist officials in the enforcement of the law especially as it relates to repeat offenders. An example of this can best be shown in the most extreme case of animal cruelty, that of the baiting or fighting of animals and birds. It is most difficult for law enforcement officers to obtain sufficient proof of these crimes to gain a conviction, although in many cases the officials are fully aware of the identity of the individuals taking part in these activities. Obviously my bill does not assist in obtaining first time convictions but it should hinder subsequent activities by those who have been convicted once inasmuch as it makes the mere possession of an animal or bird an offence.

There are two other points I should like to touch on briefly although they are related only indirectly to my bill. The first has to do with the importation of exotic animals and birds as pets or for display purposes. This is not a recent development; it has been going on almost since the first days of the colonization of this country. However, in the last ten years or so the number and variety of exotic animals imported into Canada have increased tremendously, giving rise to a good deal of concern for their proper care. The simple fact is that in the case of many of these animals presently coming into Canada we do not know how to provide the care which is needed. Until we know more, and until we have the services of trained, qualified personnel, knowledgeable about exotic species and capable of providing the veterinary care necessary, I believe a greater degree of control and supervision should be exercised with regard to these importations.

My final point has to do with the use of animals for scientific research purposes. Here again we must take a close look at all available information and evidence. This has become an increasingly controversial and highly emotional issue. We must make sure we are not left in a position where we become stampeded in one direction or another.

In conclusion, Mr. Speaker, let me just say that an amendment to the Criminal Code prohibiting the possession of an animal or bird by anyone found guilty of a cruelty to animals offence is needed and, more important, is just plain, good common sense.

Mr. Gilbert: On a point of order, Mr. Speaker, would the hon. member permit a question?

Mr. Robinson: I would not mind being asked a question but there are many others who wish to speak on this measure. Perhaps it could be reserved until later.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I should like to congratulate the hon. member for Toronto-Lakeshore (Mr. Robinson) on introducing the bill before us. We have been somewhat negligent with respect to animal cruelty in Canada and it is not until the present parliament that we seem to be making any headway. In the last parliament a special committee was established to deal with animal welfare, but we could not get it off the ground because no Liberals would attend meetings.

Some hon. Members: Shame!

Mr. McKenzie: I am certainly pleased that the hon. member should have taken such an interest in animal welfare. He made a good point when he touched upon the importation of exotic species. I have had a considerable interest in the importation of exotic species, as was evident especially in the last parliament. Many problems were raised at that time and I still do not know whether they have been dealt with. As an example I should like to mention what has been happening to air shipments arriving in Canada.

One man is encountering difficulty when making insurance claims for the dead fish he has been receiving. He thinks the fault lies with the Toronto air express base. The situation is disheartening to my constituent since he has to pay freight charges 50 per cent higher than the regular shipping charges. He is experiencing great difficulty settling claims with respect to his fish with Air Canada. He was experiencing heavy losses because fish were arriving dead.

In correspondence with me, officials of the Department of Transport pointed out recently they were setting up a special committee dealing with animal welfare in the course of air transit and that the committee had been established, among other things, to develop more sophisticated facilities on the ground for use by live animals. A move was under way to educate all the personnel involved in the better handling and care of animals. Aircraft environment was to be reviewed and training material was to be produced useful to everyone concerned. Whether these proposals were carried out, I do not know.

● (1750)

Recently the Ontario Humane Society, in co-operation with the Animal Welfare Foundation of Canada, did a survey of the retail trade in exotic animals in Ontario, and the following were the problems encountered in the area of transportation:

Since most pet store owners buy from Canadian wholesalers the transportation part of the survey is inconclusive as far as the questionnaire goes.

They sent out a questionnaire to a number of pet stores.

Method of transportation and transportation time were interprovincial estimates and consequently very few problems were encountered. The most common complaints which arose dealt with the airlines and express handlers and to lesser degrees the veterinary services at the port of entry. Eleven stores complained of the airlines because:

1. Handlers (airline personnel) did not know how to handle the animals.

2. Animals were not crated properly.

3. Animals did not have proper food or water.

4. In winter animals are left on the runway or in drafts.

5. Airlines are too slow in notifying animal owners that their animals have arrived.

6. Airlines lose animals much like they lose luggage.

We all know how Air Canada loses luggage.

A few shops complained that government veterinarians were not on duty 24 hours a day and if their animals came in late in the day they had to rouse a veterinarian and pay him to inspect the animals. Some charges were laid that the government veterinarians did not know enough about the animals concerned to pronounce them healthy or not and that inspections were carried out in a somewhat cursory manner.

Complaints were also received concerning inadequate housing while in transit. This complaint was somewhat substantiated by an article in the "Pet Dealer".

In a number of American and European cities there are special terminals for properly handling imported animals and pets. This is something that we in Canada must examine. I hope that the bill will be sent to committee where we can question Air Canada officials, and other airline officials, as well as officials of the Department of Transport as to whether animals are properly handled at our terminals across Canada.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I too would like to congratulate the hon. member for bringing forward this private member's bill and for his continuing sensitivity in terms of the mistreatment of animals in Canada. I also appreciate the remarks of the hon. member for Winnipeg South Centre (Mr. McKenzie) who said we should reconstitute the animal welfare committee. Perhaps all members of the House, owing to the pressure of time, have not devoted the kind of attention to this subject that it merits, and I welcome the invitation of the hon. member for Winnipeg South Centre to deal with this question on a regular basis in a committee of the House.

The intention of the bill is good, but the hon. member should keep in mind that Bill C-71, which we passed on January 27, provided for a two-year prohibition period. The hon. member's bill appears to depart somewhat from that in that, where there is an order for prohibition after an offence relating to the keeping of an animal, his bill would provide for a period not exceeding two months upon first conviction.

I would take issue with this legislation inasmuch as I prefer the bill that we have passed, which gives a judge discretion to impose more than a two months' denial of possession of any animal. The penalty is greater under the provisions of Bill C-71. I realize the intention behind the hon. member's bill is to provide flexibility in the area of treating animals. I have long believed that the degree of civilization or culture in any country has a lot to do with the way we treat our animals. Canada is not at the top of the list in terms of treating animals humanely. We have a considerable distance to travel in this area, and in those terms the hon. member's bill does seek to continue to move this country forward in a civilized way.

I am convinced that the time is long past due when we should eliminate the leg hold trap. In this regard there have been a number of private members' bills presented to this House. I think it is time for the government to bring forward a Conibear trap; and in the area under its own jurisdiction, namely, the Yukon and Northwest Territories, the government should ban the leg hold trap immediately. We can then move on to deal with the question of possible payment of compensation to trappers. They have a problem in terms of the cost of the leg hold trap, but as a civilized country we should not allow use of this kind of inhumane trap to continue in Canada.

Some hon. Members: Hear, hear!

Mr. Leggatt: In conclusion, once again I congratulate the hon. member for his bill. I know of his long felt sympathy for the problems of animals and I am delighted he has again raised the matter in the House. I agree that we should reconstitute the animal welfare committee and I thank him again for his invitation to join that committee.

[*Translation*]

Mr. Yvon Pinard (Drummond): Mr. Speaker, I also would like to congratulate the hon. member for Toronto-Lakeshore (Mr. Robinson) for introducing Bill C-241. I overheard the hon. member for Shefford (Mr. Rondeau) mention it is unlikely this bill will be passed tonight. I can appreciate his feelings, as there is a zoo in his riding. I also believe in the welfare of animals and I am rising on a matter of principle at this stage to point out that the legislation put forward by the hon. member provides for minimum penalties. In my view it is desirable and a matter of principle to avoid mentioning minimum sentences in the Criminal Code.

We can see in the Criminal Code a reverse trend because the people who are entrusted with administering justice in Canada think that the courts should be given the prerogative of deciding on the penalty which best fits the offence. If a provincial attorney general does not approve of the sentence, an appeal can be lodged.

Without trying in any way, to vindicate cruelty to animals, I believe, once again, Mr. Speaker, that we should not lose sight of the nature of the offence.

● (1800)

If a minimum sentence is provided for under this charge, we shall have to reconsider the penalties applicable to other serious offences against law and order. To provide for minimum sentences for offences which are a patent transgression of a prohibition ordinance by a Court would be giving Canadian judges less credit than they deserve. So, as I have said before, my purpose is not to contradict my learned colleague, the hon. member for Toronto-Lakeshore (Mr. Robinson) who wants animals protected in this country but rather to comment on a matter of principle with regard to sentencing. He advocates a minimum sentence for repeated offenders guilty of flouting a prohibition ordinance—

[*English*]

The Acting Speaker (Mr. Turner): Order, please. The hour appointed for the consideration of private members' business has expired. I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

NOTICE OF TIME ALLOCATION MOTION FOR SECOND READING STAGE ON BILL TO AMEND MEDICAL CARE ACT

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I wish to inform the House that it has not been possible to reach agreement under the provisions of Standing Order 75A and 75B in respect of proceedings on the second reading of Bill C-68, an act to amend the Medical Care Act. Therefore, in accordance with Standing Order 75C, I hereby give notice that at the next sitting of the House I shall move that not more than five hours shall be allotted to the consideration and disposal of proceedings at the said stage of the said bill.

Mr. Knowles (Winnipeg North Centre): Shame!

GOVERNMENT ORDERS

[*English*]

CRIMINAL LAW AMENDMENT ACT (NO. 1), 1976

MEASURES FOR BETTER PROTECTION OF CANADIAN SOCIETY AGAINST CRIME

The House resumed consideration of the motion of Mr. Basford that Bill C-83, for the better protection of Canadian society against perpetrators of violence and other crime, be read the second time and referred to the Standing Committee of Justice and Legal Affairs.

Mr. Deputy Speaker: Order, please. As hon. members know, the House agreed to allow the hon. member for Calgary North (Mr. Woolliams) to move an amended version of the amendment he proposed the other day. With the consent of the House, that motion not having been put, I shall now put it to the House. The hon. member for Grenville-Carleton (Mr. Baker), for the hon. member for Calgary North, seconded by the hon. member for Malpeque (Mr. MacLean), moves:

That all the words after "That" be deleted and the following substituted therefor:

"Bill C-83, An Act for the better protection of Canadian society against perpetrators of violent and other crime, be not now read a

second time but that the subject matter thereof be referred to the Standing Committee on Justice and Legal Affairs.

[*Translation*]

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, first of all, I should like to make a preliminary remark concerning the bill before us, Bill C-83, as an initial clarification which will prove necessary in the light of my later comments on the spirit of the proposed measures.

When it is time to vote on third reading, I shall probably vote in favour of Bill C-83, even if I have serious reservations as to the merits of certain clauses, because it completes Bill C-71 which the House has already considered and because it is a valuable and necessary updating of our criminal justice and correctional tools.

Indeed, as many of my colleagues have already pointed out, particularly the hon. member for Calgary North (Mr. Woolliams), most of the subjects covered are not new legal points, they only result from the normal development of existing statutes. Whether it be amendments to the Protection of Privacy Act, the updating of the rules governing custody and parole, the approval in principle of public inquiries on organized crime, the clarification of the status of dangerous criminals or even the new set of measures on gun control and the regulations governing gun users, owners, one could almost say that we have here the substance of a housekeeping bill. This is why the best forum to debate such legislation would be the parliamentary committee and I hope that the second reading debate will not be too long so that the discussion can be really constructive and the few litigious or controversial elements, specially in the field of wiretapping, can be studied with the attention they deserve by the persons concerned in the presence of experts from the Department of Justice and witnesses or resource persons wishing to appear before the committee.

Even if a few hon. members had some reservations about the combination of the five issues covered, I do not think that on this sole basis we should object at this first stage of the parliamentary study of Bill C-83, and this with all due respect for those who hold opposite views. In this regard, most hon. members have already approved in principle the proposed measures. And the Minister of Justice (Mr. Basford) himself, having clearly said that criminal justice instruments like the Criminal Code and legislation concerning parole, the Penitentiary Act and other related statutes were changing constantly I think that the suggestions made by hon. members could be and should be considered by the parliamentary committee to help this government fight efficiently the alarming increase in crime in Canada.

For those reasons and only those, I support Bill C-83.

Where I do not agree however is where Bill C-83 is made to say what it does not say and is made to do what it cannot do. Bills C-83 and C-84 have been given the pompous and mistaking title of "Peace and security program for protection against violent crime".

The first question that comes to my mind is WHY?

Why give so much importance to a mere readjustment of the internal administration of criminal justice instruments, readjustment long since advocated by the Parole Board, the Commissioner of Penitentiaries and the different police corps at all jurisdiction levels?

[Mr. Deputy Speaker.]

Why? And the first answer which comes to my mind, shocking and brutal, is that they have tried to coat the bitter pill, Bill C-84, abolishing capital punishment, with what may seen to be and is effectively a tightening of the Criminal Code. Bill C-83, Mr. Speaker, is an exercise in marketing Bill C-84.

Without any intention of judging the merit of Bill C-84, which will come up for discussion later, a discussion impassioned to one's liking, I suppose, if we really want to make people and their elected representatives believe that through the measures proposed in Bill C-83 we can effectively and efficiently stop the thrust of violent crime in this country, I apoligize, but we are trying to deceive the public by means of a sophisticated exercise in organized camouflage. Indeed without referring to the overly narrow approach taken in this struggle by the program in question, I agree with the comments of Jean-Claude Leclerc of *Le Devoir*, who said in an article entitled: "The illusory protection obtained by life imprisonment", I quote:

● (2010)

. . . it will be easier to multiply repressive measures than to cover the penitentiary system in the changing process that is required and without which, when the next crime occurs, the public will ask for capital punishment to be reinstated.

As regards the peace and security program itself, and particularly the booklet which features the program highlights and which was circulated by the Department of Justice, one may see with astonishment and incredulity that crime prevention is not given much importance: three tiny paragraphs that cover a quarter of a page, a third of which concerns the defensible space, that is to say:

Marked efforts to better understand the matter of reinforcement of possible crime targets, as well as that of the environment design. Strategy to increase the community resistence towards crime.

Anyone who is seriously involved in an over-all effort to control crime must consider in a comprehensive manner all the aspects of the criminal process, from the causes of the first offence to the reasons for repeated offences, and this includes different concepts, whether it be crime causes, police investigation and indictment, the judicial process including conviction and sentencing, penitentiary life in which penalty and rehabilitation are opposed, and finally, reintegration into society with, in most cases, the rejection of the former inmate.

Well, the peace and security program falls within this framework. Basically, it deals only with penalty and implementation of sentence, without really trying to come to grips with the causes of crime and the roots of community distrust toward offenders and former inmates.

An organized program of crime control should take into account all factors involved in the anti-social or asocial behaviour of some individuals; it should therefore bear on crime causes, social and police prevention, sentencing, penitentiary reform, treatment, social rehabilitation, information and community involvement.

Let us begin at the start, with the definition of delinquency. It was on the assumption that no simplistic definition of delinquency and its features are of any value that

criminologists and psychologists developed scholarly theories in normative terms.

Two mainstreams however seem to emerge. One is based on the ecologic theory evolved during the last century. The other, the more recent psychological theory, draws upon fundamental criminology in terms of formal patterns. Supporters of the latter look to conditioning as prime factor in the disposition-forming process.

I draw upon Professor Eysenck, a renowned criminologist, to grasp the impact of conditioning upon individuals. In his book *Crime and Personality*, Mr. Eysenck, while granting official status to the psychological concept of deliquency, uses a Freudian concept, that of more or less suppressed agressiveness, to strenghten his assertion that the degree of personality extraversion determines the marginal tendency to ward anti-social behaviour. This is where the "conditioning" factor comes in. It can eventually convert that simple disposition into a major personality feature. While reaffirming that his explanation is totally doctrinal and cannot explain the overall criminal process in man, Eysenck draws certain conclusions that appear to be quite pertinent on the possible ramifications of delinquent correction. He thereby attacks the remuneration concept of sentencing relative to the prohibited act that was committed. That result alone of the psychological analysis, if nothing else, would make Eysenck's work valuable.

And to quote the professor:

[*English*]

... the effect of reward and punishment depends entirely on whether the behaviour to which they are applied is frustration-instigated or motivation-instigated. In the latter case, punishment may itself constitute a frustrating situation, in which case it will either increase the strength of any frustration instigated behaviour already present, or transform the motivated state into a frustrated one.

[*Translation*]

Supporters of the ecological theory, on the other hand, favour a demographic and social approach to delinquency. Following analyses of popular environments as opposed to so-called "have" environments, certain constants were stressed, while certain variables were used as parameters.

Through ecology, we can better define the surroundings which might bring about a deficient environment. In the light of these somewhat academic comments, I admit, it will be agreed that poverty, especially urban poverty, has a definite influence on the development in certain individuals of a conscience that is anti-social to say the least.

From the numerous studies on the conceptualisation of the notion of poverty, the following two criteria should be kept in mind: environment and conditioning, both of which are present in all stages of delinquency prevention and remain operative when corrective action is necessary. Since the environment has a direct influence on conditionning, the only logical way to fight crime is through the elimination of the causes of delinquency. The thing to do therefore is to plan government action and coordinate the various programs, housing, health, welfare, community centres, towards a single objective: the improvement of the living conditions of the underprivileged.

It is in such a context that the rationale for potential rehabilitation and treatment systems can be found. In reality, we shall never be able to completely eradicate the harmful elements which make up individual behaviour patterns, but once the environment problem is solved, it will be much easier to deal with the psychological causes of delinquency.

The second factor concerns social and police prevention and, in this regard, I have been surprised and shocked by the reactions of policemen and prison guards concerning the order and security program, and especially the abolition of capital punishment.

The excessive conservatism of policemen and prison guards increases violent criminality much more than it decreases or prevents it. It seems that the best way to hide one's own incompetence is to play on the emotions and the ignorance of the population, like some are now doing with regard to capital punishment. In my opinion, policeman and prison guard associations hide behind the death penalty their failure in the areas of prevention and rehabilitation. Police authorities must understand that their role is not simply to apprehend offenders or to make searches in an effort to prevent offences. The image of the policeman has suffered a lot from the military character that police forces have often given it. In fact, we have made a mistake in giving more and more power to policemen, like Bill C-83 is now doing, in return for the peace and safety of the citizens while providing little or no control over their actions.

Police forces have also suffered from the patent lack of recruiting and even training. To be really efficient, policeman should act as a human affairs officers. Indeed, they also seem to suffer from the fact that they have to enforce unpopular legislation and also from the fact that they have dehumanizing and lowly jobs to perform such as giving parking tickets.

The policeman's role should be especially oriented towards two things, first, crime prevention through information programs and education about the role of the policeman, and second, the traditional criminal investigation which could bring about an arrest.

In its report "Sentences et mesures non sentencielles dans le processus pénal", the Law Reform Commission of Canada clearly states that, considering that the community should deal with most problems and disputes in an ordinary fashion, that is without having recourse to criminal law and without necessarily fighting in courts, one should encourage police forces, social services and other community organizations to help individuals, families, schools and other groups to solve the problems and conflicts which affect them without taking legal proceedings.

At any rate, it seems obvious that if we want to recruit policemen with some knowledge of psychology or human relations, one will have to entrust them with more responsibilities than those entailed in purely mechanical tasks. We should therefore create a department within the police which should entrust ordinary civil servants with some of the functions which are now in the hands of policemen, such as fines, traffic control, clerical tasks, reports, and so forth. The police would be the first to profit from such a diversion of tasks, the first benefit being to assure them a far better public image.

I would like to quote a passage from *The Challenge of Crime in a Free Society*, a report of the American presiden-

tial commission on justice administration and application of the law. I quote:

● (2020)

[*English*]

Crime flourishes where the conditions of life are the worst, and therefore the conditions of a national strategy against crime is an unremitting national effort for social justice. Reducing poverty, discrimination, ignorance, disease and urban plight and anger, cynicism or despair—these conditions can inspire, is one great step toward reducing crime.

[*Translation*]

The third level is sentencing. In spite of the reports of the Law Reform Commission little if anything has been done in this respect, except giving to magistrates again through Bill C-84 the power to extend from 10 to 25 years the minimum period of detention without parole for second degree murder.

As early as 1968, the Ouimet report deplored that no specific and elaborate sentencing policy existed in Canada, with the result that an accused may be at the mercy of a judge who is more or less understanding, and depending on the case he will do two years of penitentiary or remain on parole with the possibility of developing his sense of responsibility and fitting in the community while being guided by a social worker.

The main obstacles to the development of a unified system of criminal law and social rehabilitation have been thus far the absence of a clearly defined sentencing policy and the inadequacy of services and facilities available to a judge entrusted with the key function of this global process.

That policy still does not exist in any case. Until there is a school for judges—without necessarily wanting to attack the process of appointments to the bench—we will continue to have inadequate judges or judges motivated by considerations based on outmoded principles.

This code of sentencing could, for example, provide that certain individuals sentenced for a first offense will all the same have to undergo a certain period of treatment if the conditioning to which they were submitted—and one sees here the role of the report provided by the social worker—was deficient.

All those problems are of a judicial procedure nature. As for the correctional process as such the situation is confused. Although a certain number of positive changes have been made in the last few years in the operation and the administration of penitentiary services the faults afflicting detention institutions prevent most often the achievement of the commendable objectives of those in charge—training and rehabilitation.

Indeed, as long as punishment is mistaken for rehabilitation, there is hardly any hope that the spirit existing in penal institutions will evolve appreciably.

Unfortunately, I am unable to adequately cover the treatment aspect of the correctional process and that is too bad; Bill C-84 will perhaps provide me with that opportunity.

In short, crime prevention should now be based on two principles: to prevent individuals from indulging in criminal activities by the removal of some environmental factors which seem to have a decisive impact on the development of delinquency; for the offenders, it would be advisable to consider community therapy through the action of social workers and citizen's committees, to think up a new philosophy for the treatment of individuals having experienced a defective or antisocial conditioning.

Finally, it is necessary within the correctional process itself to remove one of the main causes of delinquency: the penitentiary subculture, by systematically promoting the establishment of small institutions such as community residential centres.

In closing, Mr. Speaker, Bill C-83, though basically sound, does not constitute an efficient weapon in the fight against crime. Only a well defined all encompassing policy might stand a chance of checking the deplorable tendency towards increasing crime, disturbing symptom of an even greater failure, which could be that of our whole society.

In conclusion, I should like to quote an excerpt from the report of the Law Reform Commission of Canada entitled "Sentences et mesures non sentencielles dans le processus pénal" which indicates the direction in which we should go.

How will we treat those who violate those fundamental values, those of our society? I quote:

Everyone, legislator or private citizen, must understand that the coercive power of penal law must be used only with moderation since otherwise, we run the risk of generating other social ills. Too great a desire to have law and order can, on contrary, produce disorder. What is basically a manifestation of responsibility can on the contrary lead to irresponsibility when, instead of serving as guidance toward an honest solution of the problems we are confronted with, the rules serve as screens to keep us from understanding them.

Mr. Speaker, that is food for thought. I do hope that all hon. members will understand that it is the duty of each and everyone of us to find such solutions as can check the tide of crime, in our country.

[*English*]

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, most people of this country, I suggest, cannot logically quarrel with the concept of some sort of gun control. It is not an alarming concept any more than controlling the use of automobiles, poison, snowmobiles or any other device, or substance that might be considered dangerous. But no issue since I have come to the House of Commons has prompted such a rash of protests from my constituents against the way that the government is implementing what ought to be a very simple and laudable objective.

The so called peace and security package is really a misnomer, I suggest, because to start with it is a joint product of two ministers who do not even agree philosophically. It is an anomaly. My friend, the hon. member for Calgary North (Mr. Woolliams), says they are the odd couple. That may well be, but I rather think that Robert Lewis in the current issue of *Maclean's* magazine sums it up pretty well when he refers to the Minister of Justice (Mr. Basford) and the Solicitor General (Mr. Allmand) as playing a kind of good cop-bad cop routine. The Minister of Justice (Mr. Basford) says he can live with hanging and the Solicitor General (Mr. Allmand) says he cannot. This kind of basic philosophical difference is not doing anything to inspire confidence in the people of this country that this legislative package is a well thought out and valid

concept, particularly when it is also billed as some sort of trade off for tougher measures.

● (2030)

It is said that measures on guns, wiretaps, and sentencing are a trade-off for abolishing capital punishment and a sop to the police and prison guards. I think that is too simplistic a proposition, but it is indicative of the type of perception the people of this country have about this kind of legislation, and I think it is a very unhealthy state of affairs.

It seems to me that the government could very easily have found a more logical and simple way of accomplishing a pretty laudable objective, but just as the government did in the case of the Minister of State (Fisheries) (Mr. LeBlanc) with respect to lobster regulations, and in the case of the Minister of Finance (Mr. Macdonald) in attempting to bring some logic into the Anti-Inflation Board procedures, it has messed it up again, which it has a propensity for doing. Just as the Minister of Finance and the Minister of Industry, Trade and Commerce (Mr. Jamieson) have had to admit that they had to abandon their plans for a levy on exports, and just as the Minister of State (Fisheries) has had to modify his lobster regulations, so I fear will the Minister of Justice and the Solicitor General—

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, on a question of privilege, I really do not want to contradict the hon. member, but if he had attended the session which most of his colleagues attended, he would have found that we did not change the policy. We simply explained it, and it is proceeding as planned.

Mr. MacKay: I appreciate those remarks from the Minister of State (Fisheries) but I think his troubles are not yet over, judging by the response of the fishermen in my constituency. It may be a little premature for him to say that he will not have to change his policy, judging by the type of reaction—

Mr. LeBlanc (Westmorland-Kent): I said we have not changed it.

Mr. MacKay: I say that perhaps the minister is a bit premature in assuming that he will not have to change that policy.

In any event, as far as these particular provisions are concerned, I will deal with the bill. I am sure hon. members will appreciate my passing references to the bill, although I intend to mention some other matters tonight involving civil liberties and types of legislation which I am sure Your Honour will find relevant.

The proposed section 103 is a very interesting provision. It provides the following:

> Whenever a peace officer believes on reasonable grounds that an offence is being committed or has been committed against any of the provisions of this Act relating to prohibited weapons, restricted weapons, other firearms or ammunition, he may search, without warrant, a person or vehicle, or place or premises other than a dwelling-house, and may seize anything by means of or in relation to which he reasonably believes the offence is being committed or has been committed.

To begin with, why without warrant? This sets the tone for all this legislation. I suggest—and this is what people in my constituency believe—that this legislation is a needless encroachment on the civil liberties of people. Clause 83 of the bill reads as follows:

> Every one who carries or has in his possession a weapon or imitation thereof, for a purpose dangerous to the public peace or for the purpose of committing an offence, is guilty of an indictable offence and is liable to imprisonment for ten years.

What sort of offence is meant by that?

Then there is another interesting provision clause, clause 86, which says:

> Every one who is an occupant of a motor vehicle in which he knows there is a prohibited weapon
>
> (*a*) is guilty of an indictable offence and is liable to imprisonment for five years, or
>
> (*b*) is guilty of an offence punishable on summary conviction.

What about the case of a person being in a car before he knows that there is one of these so-called dangerous or prohibited weapons present? Is he supposed to request the driver to stop the car in the middle of a lonely road so that he can get out?

These are only a couple of examples, and they just underline the ludicrousness of what is attempted to be done here. This is like hunting squirrels with an elephant gun, and I hope the Minister of Justice will do as he did with the criminal law amendments bill—change some sections in committee—and give a little bit of thought to improving and making a bit more workable and a bit more sensible what is essentially not a bad idea, in theory.

As I said earlier, I have been receiving a tremendous amount of mail and telegrams—some orchestrated, some not orchestrated—from people in my constituency whom I know to be honest and responsible people. They are not extremists or people who are alarmed that the government is suddenly going to declare a dictatorship because they do not have any guns with which to defend themselves, but they resent sincerely this further encroachment on what they consider to be a reasonable privilege, that is, to possess rifles, or in some cases pistols, for a legitimate use.

I will read one letter. It is very typical and very short. It is dated March 1, and says:

> Dear Mr. MacKay: This is to voice my opinion with regards to the proposed legislation on private ownership of long guns . . . This could be just one more case where the private citizen has a privilege lost or restricted. The restriction in my opinion as well as many others would be in vain as common sense no doubt has told you, as it has me, that criminals will be no harder put to obtain such firearms. I fear that government will be swayed by the anti-gun lobbyists whom I am confident do not represent the opinion of the majority. Hoping my opinions are worth your attention. Yours sincerely,
>
> (Signed) James Langille
>
> Sunny Brae
>
> Pictou County.

Surely there must be a bit of common sense involved here in assessing the priorities of this type of legislation. Some time ago there was a statistical analysis saying that most murders in Canada were committed in the kitchen. Probably the Minister of Justice ought to consider abolishing kitchens; that might help the situation.

There is another school of thought which says that if guns are dangerous, so are knives and so is gunpowder, One could go on to ludicrous lengths, and I do not intend to do that tonight in suggesting dangerous objects that might

be restricted,—but I do want to say to the Minister of Justice that I hope he will take the type of approach he took when the Criminal Lawyers' Association of Ontario and other concerned people pointed out to him some of the dangers implicit in unduly restricting, in the name of bureaucratic convenience, some of the privileges and some of the rights of his fellow citizens. I think it was the proposed section 440 of the criminal law amendments bill where in the name of bureaucratic convenience it was proposed to do away with some pretty fundamental procedural rights enjoyed by people charged under the law. As I remember it, the minister was going to waive to quite an extent the safe-guards to an accused having to do with procedural rules of court, and he had this section sandwiched in between a section dealing with preserving order and dealing with the public trial of juveniles. I know he did not do it on purpose, but it was a fundamental loss of privilege, and to the credit of the minister, he realized that and withdrew it.

The type of legislation, as the hon. member for New Westminster (Mr. Leggatt) pointed out, which is most needed does not even appear in this package, and that has to do with problems involving the use of hard drugs, the concept of rehabilitation, and doing something about the inordinately high rate of crime in which, unfortunately, native people find themselves involved. These are the types of things that the government ought to be concerned about, and I find it passing strange that it is placing such a priority on guns at this particular time.

I suggest that the government ought to be more concerned about the feelings of Canadians who right now are being confronted with a bewildering variety of bureaucrats, such as the statistician at Statistics Canada who can threaten—with some justification because of that legislation,—that he can put people in jail if they do not give him statistics. Also people are confronted with another type of bureaucrat, the man who comes along and demands to see their books for income tax purposes, and countless other types of the species who are empowered to encroach upon the privacy of people.

There are all kinds of bureaucrats in this country, and Canadians are beginning to resent them more and more. I suggest that in this case what Canadians are most concerned about is the fact that they are getting foisted on them another type of procedure which will interfere with something they consider pretty basic, owning a gun, and I say with all respect that that is not necessary.

I for one have a pretty healthy skepticism of the motives of the government in bringing forward this type of legislation at this time. As far as I am concerned its record in fostering or promoting the well-being of our country leaves much to be desired. The very term peace and security is a semantic trick. I always thought peace and security were the function of our armed forces. If the government wants to give us peace and security in the true national sense it will pay more attention to our defence needs, otherwise we will have the kind of peace and security they have in Russia and Cuba. I suggest it get down to the business of law and order. That is what we are talking about tonight, not peace and security.

[Mr. MacKay.]

• (2040)

When you look at the government's record, and its responsibility for protecting people's peace and security and rights, it is interesting to look at other legislation. Let us look at the Federal Court Act, Mr. Speaker. There is an interesting provision, a fairly recent one, in section 41(2) which says:

> When a minister of the Crown certifies to any court by affidavit that the production or discovery of a document or its contents would be injurious to international relations, national defence or security, or to federal-provincial relations, or that it would disclose a confidence of the Queen's Privy Council for Canada—

That is interesting.

> —discovery and production shall be refused without any examination of the document by the court.

This is a fairly new phenomenon. It used to require a judicial act; at least the court or judge had a right to look at the document and decide whether the Crown's representations were sufficient to stop production of the document. It is a strictly fundamental right—we no longer have it!

Let us look at another type of security for a certain type of Canadian. Take the 15,000, 16,000 or 17,000 people in the RCMP who are subject to the dictates—and I use the word advisedly—of the Royal Canadian Mounted Police Act and regulations. I have had occasion recently to look into the circumstances involved in the discharge of two RCMP veterans who were supposed all of a sudden to be unsuitable after 20 years of the highest type of service. They were discharged under regulation 173 and I think there is a good possibility they were erroneously discharged. But regulation 155 reads:

> Where the discharge of a member other than an officer is ordered the commanding officer of the member shall cause a discharge board to be convened.

This was never done in the case of Messrs. McCleery and Brunet. Instead they were tossed down the garbage chute under regulation 173 which provides, the way the minister interprets it that all of a sudden a person can be declared unsuitable and be thrown out of a force he served with distinction for 20 years. This type of conduct does not give me much confidence when considering legislation like that before us, and the motives of the Solicitor General.

Some hon. Members: Hear, hear!

Mr. MacKay: How will these rules and regulations regarding the use of guns by ordinary Canadians be interpreted? How many bureaucrats will it take to interpret them? When this bill goes to committee, and I shall certainly vote to send it there, I hope we will find a way to simplify the provisions and make them more equitable. If that is not done it will cause many Canadians to become law breakers. People who have not broken the law before will, I think, refuse to accept the type of regulation that I see embedded in this bill.

The hon. member for Windsor-Walkerville (Mr. MacGuigan) had some interesting things to say when he commented on the wire tape provisions in the bill. It seems to me the Minister of Justice would be ill-advised to hurry to change these provisions as they now exist.

I understand that the Solicitor General and the Minister of Justice have had occasion to study the national commis-

sion for the review of federal and state laws relating to wire tapping and electronic surveillance in the United States, and some mention may be made of these as the days go by in regard to the provisions of these proposed laws in the United States.

It seems to me that people who say that wire tapping is some kind of panacea or some great solution for controlling the activities of the criminal element are exaggerating. I think it is a valuable tool but I do not think the extension of the power merits the consequent menacing of civil rights that this implies. It seems to me that the judiciary must be relied upon to a greater and greater extent in supervising application under this type of legislative application, and indeed in supervising and taking part in the whole structure of law and order as they used to do.

The position of judges today is being eroded. There is no question about that. It seems to me that a judge is about the only one in our system whose only mandate it is to do the right thing. Sometimes politicians cannot do it for political reasons; sometimes lawyers cannot do it because of certain pressures so judges are the persons to whom the average Canadian looks to protect his civil liberties. When the Minister of Justice or anyone else starts to undermine a judge's discretion by introducing the concept of mandatory sentences, even in a small way, it makes me uneasy. You do not have to be a judge to hear a guilty plea and give a mandatory sentence. Anyone could do that.

The way the parole system works now pretty well isolates the judge. I am sure many a competent justice or magistrate agonized over what he considers an appropriate sentence for a particular case, has given what he considers a fair verdict and much to his surprise when going down the street a few months later, meets the person he sentenced to a term of several years.

Surely there must be some way that judges can be brought closer to the parole board in reassessing whether it is appropriate to allow the criminals they have sentenced to be put back on the street. I think the minister should address himself to this.

There is one other thing I should like to suggest to the minister tonight, Mr. Speaker, and I say it without malice and I mean no harm to the Solicitor General either. One of the most interesting things the minister could do in gathering together the elements of law enforcement in this country and the reassessment and readjustment of the judicial and police processes, would be to be less concerned about abolishing capital punishment and more concerned about abolishing the office of solicitor general altogether. That is not an original idea. I am looking back some years at things that were said and the warnings given by a former minister of justice.

In the Toronto *Star* of December 22, 1965, a former minister of justice, Davie Fulton, was quoted as saying when the Solicitor General's department was taken out of the Department of Justice: It would be far more likely under the new setup that an RCMP report would never get to the Department of Justice.

That is from a former and respected minister of justice in those days who made the prediction of trouble ahead. Another former minister of justice, the former minister of finance who has recently resigned from this place, also had misgivings about the duality of responsibility between the Ministry of Justice and the office of the Solicitor General. He must have felt, as I do, that it is rather incongruous that the Attorney General of Canada, the chief legal adviser to the government, does not have direct command of the national police force.

In an old newspaper article entitled "Justice Department—How to Re-Create the Image" there are a few very interesting quotes which I should like to put on the record.

> For decades, justice was one of the prime seats of power in Ottawa, the justice portfolio ranked second only to the prime minister's job; the minister who held the post had political power and prestige almost unmatched in the federal government.

I think this is particularly vital at this time when public confidence in the administration of justice is, to put it charitably, pretty well shaken. The article continues:

> Then something happened. Justice went into a nosedive from which it still has not recovered.

This article appeared in 1969 and there is no reason to believe that justice has made any great strides since then. It continues:

> The decline began during the late fifties and early sixties.

The article then refers to some of the factors.

> ... the damaging involvement of two Liberal justice ministers in the scandals of the mid sixties. The late Guy Favreau left the post under a cloud as a result of the Rivard affair.

It goes on to trace the history and points out that during his brief stint as minister of justice the present Prime Minister (Mr. Trudeau) managed to swing the spotlight back on his portfolio by putting through controversial and very famous amendments to the Criminal Code.

● (2050)

The article goes on to say that Mr. Turner, then minister of justice, had several new bills he would like to bring before the Commons. It states what they were. The article continues:

> So he's turning his attention to re-establishing justice as a power centre of government—"putting the department back in the ball game", as he calls it.

That is interesting. In 1969 the then minister of justice wanted to put his department back in the ballgame. Instead, he recently left the ballpark. I wonder if that frustration had anything to do with his decision to go. The feeling in the department at that time was that the minister was making some progress. Obviously that was not the case.

I want to say again that this is something the Minister of Justice ought to consider very seriously. He ought to ask himself whether, in billing this piece of legislation as part of a so-called peace and security package, he can honestly do that in conjunction with a minister, however honest and sincere in his feelings, who differs philosophically from him. It is said that a house divided against itself cannot stand. It seems that the Department of Justice and the Department of the Solicitor General are pretty well divided against themselves. As these articles point out, justice has lost control over many of the functions that once made it a vital and prestigious department.

The portfolio of Solicitor General has as it its present incumbent a minister who has said unequivocally that he

cannot live with capital punishment. What happens if the capital punishment legislation does not turn out the way the Solicitor General wants it? Will he resign? If that is the case, the Minister of Justice will have to break in a new sidekick. He should seriously suggest to the Prime Minister and his cabinet colleagues that he draw back into his portfolio the Solicitor General's duties. If there is an extra cabinet slot around, probably the Minister of Transport (Mr. Lang) could use it to create a ministry of air. He needs more help in transport than the Minister of Justice, capable as he is, needs in administering justice, as difficult a job as that may be.

I urge the minister to consider changing in committee, along the lines suggested so ably by the hon. member for Calgary North (Mr. Woolliams), some of the unnecessary and counter-productive things presently contained in his rather cumbersome legislation. I urge him to give a lot of thought to the very fine speech made by the hon. member for New Westminster. He pointed out very dramatically some of the deficiencies in this legislation in the sense that it overlooks completely some of the relevant things that should logically be a much higher priority than interfering with the rights of people, particularly those in rural areas who want to continue having rifles and shotguns which, for the most part, they use very sensibly. In many cases they are essential tools to shoot vermin. They use these guns for purposes which no one, by the remotest stretch of the imagination, could say was a menace to law-abiding citizens.

If a person wishes to commit an act of violence, he does not need a gun. Also, there is no guarantee that if a commissioner of official feels that a person is entitled to have a gun by reason of his present sanity that he may not within a couple of weeks turn into a depraved maniac.

A couple of amendments to the Criminal Code with very minor penalties, at least initially, would have the desired effect of encouraging law-abiding people to register their guns, in a more conscientious way then at present. That is all that is needed.

An hon. Member: It is not in the bill.

Mr. MacKay: No, but it certainly could be in the bill. The authorities would then know where any guns happen to be at any given moment and who had them. It is ridiculous to try to equate a trade-off in two separate philosophical areas and set this off to the Canadian people as some kind of tit for tat arrangement, gun control for abolition of the death penalty.

If we should abolish capital punishment, fine, but let us debate it. If we should do certain things to rehabilitate prisoners, let us consider that. If we should regulate guns, let us consider that. However, let us not have a dishonest and semantic practice where something is done in order to compensate for doing something else. That is absolutely dishonest.

Mr. Woolliams: Deliberately.

Mr. MacKay: Yes, probably deliberately as a calculated measure. If the minister will let the committee have a long time to study this legislation and permit people from a broad spectrum of society to present their views and opinions, he will eventually become convinced that he is, as I said, hunting squirrels with an elephant gun. He does not need this regressive and restrictive legislation to accomplish that which should be a very laudable objective. Instead, what he has done is arouse a lot of needless alarm, cause a lot of hard feelings and worry among decent law-abiding citizens who have never broken the law in their lives and never will, unless they get caught as a result of some stupid legislative procedure.

[Mr. MacKay.]

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, it is an honour to participate in the debate on the peace and security legislation brought in by the hon. Minister of Justice (Mr. Basford), as it is an honour to be a sitting member of the Thirtieth Parliament, a parliament that has been highlighted by controversial but progressive legislation.

All members of this House know that there is a growing public concern about the rising number of firearms incidents in Canada. Statistics show that from one year to the next there are more murders, armed robberies, suicides and accidents than the previous year. In 1974 almost 1,500 Canadians were killed from the use of firearms, an increase of over 30 per cent since 1970. Statistics also show that our population has not increased by 30 per cent. Therefore there has been an actual growth of death from gunshot wounds outside of our normal population increase.

During the same time period, 1974, firearms were used in half of Canada's 543 murders and in 30 per cent of Canada's 15,000 robberies. This, Mr. Speaker, is unacceptable, not only to this House but also to the majority of Canadians who are appalled at the indiscriminate use of firearms. Canadian people have asked the government for remedial legislation and I congratulate the Minister of Justice for providing that leadership to bring in tough, but rational legislation to make this country of ours a better place for all of us. As all hon. members know, Canada has had strict controls for many years regarding handguns. In this class of weapons, Canada's record is excellent.

I would like to curtail my remarks regarding the peace and security measures to gun control since my constituency is primarily a rural constituency and the proposed legislation will have a very direct impact on the riding of Comox-Alberni. I might say that the Minister of Justice is aware of this and has hunted in this area.

First, let me state that we in the government realize that long rifles or shotguns are not lethal themselves; it is the person pulling the trigger who may be dangerous, and the proposed legislation deals with the user of the firearm rather than with the firearm itself. This is a correct assessment, in my opinion, and therefore I support the licensing of the individual and not the registration of firearms as the most rational way of dealing with the prevention of abuse of rifles and shotguns.

U.S. studies suggest death is at least five times as likely in an incident involving a gun as opposed to some other weapon. If the government seeks a reduction in the level of firearm violence, it cannot simply be obtained by punishing severely those who are responsible for firearm incidents but a program must be initiated, preventive in nature, to screen out those people who are potentially

dangerous or irresponsible, judging from their past histories.

● (2100)

We as a government cannot provide unrestricted access to a means of destruction any longer, and if this is seriously questioned then our whole policy must fail. We must pursue the philosophy of reducing the misuse of firearms. Not one hon. member of this House would suggest that an 8-year old child should be given the care and custody of a rifle since we are all aware that a child of that age does not have the background to operate a weapon safely. Using the example of a child may appear far-fetched. However, we know there are people who are mentally incapable of possessing firearms with any degree of responsibility, yet up to this date we have made no provision for those who are mentally handicapped. We also know that in each of our communities there are people who, because of their aggressive nature, are a danger to their families and neighbours if they are allowed weapons during a moment of rage. To state otherwise would be a complete abrogation of the situation as we know it.

Mr. Epp: "Abrogation of the situation"? What does that mean?

Mr. Anderson: There are people in our society who are not responsible. By the same token, hon. members of this House would in no way give an absolute right to any Canadian to operate a motor vehicle, knowing there are many people in our society who cannot handle this responsibility.

The right to possess or own a firearm is not an inviolate law of God carved in stone. Rights imply responsibility, and those who do not have sufficient responsibility should not have such rights.

I would like briefly to review the thrust of the government's legislation and comment on the different aspects of this legislation as they affect the average Canadian citizen's use and control of firearms. First, the federal government will attempt to collect guns that are not being used, and encourage Canadians to turn them in. This seems to be an eminently reasonable stance for the government to take since it is well known that many pistols, rifles, and shotguns are passed on from one generation to another, whether there is a need for them or not. Firearms kept in many homes in this country have parts missing, or are slightly damaged and will probably never be used. But the danger still exists that either someone in the family or someone outside the family may be injured or killed by these unwanted firearms, due entirely to the proximity of these weapons during a family argument or, as so often happens with weapons which are left unattended, because children become involved with them.

I understand the government will back up this campaign with a media educational effort and I trust this will be an on-going process, not merely a campaign of one or two months' duration. I believe it is important to carry on gun education on a full time basis in order that we attain a responsible citizenry well aware of the dangers of the uncontrolled use of firearms.

Some hon. Members: Hear, hear!

Mr. Anderson: The government's position of eliminating certain weapons from the Canadian scene, for example, Saturday night specials, long guns which have been sawed off, and fully automatic weapons, should be supported, and it is my understanding that this legislation will prohibit their use in Canada. As well, tighter controls will be exercised over the manufacture and importation of firearms into Canada. I applaud the intention to issue permits to manufacturers, wholesalers and importers of weapons.

One of the greatest fears felt by my constituents is that the federal government will either restrict the use of long rifles to an extent that would be unacceptable to them or, second, that we in government would abolish their use totally. Registration of long guns, with all the bureaucratic red tape involved, was not seen as a solution to the restriction of firearms by my constituents. I was personally very pleased that the government did not take the bureaucratic route but that it chose the sensible route, not of registering firearms but of licensing the individual.

We are all aware that in order to drive a motor vehicle a licence is required, and this licence is obtained by achieving a certain level of competence on the road. This does not guarantee that everyone who has a driver's licence will behave in a responsible manner. However, it does guarantee that an individual has attained a certain level of competence before being allowed to operate a motor vehicle on the highway. The stand the government has taken with respect to the ownership of firearms is very similar. Basically our position is that if one is competent to own a firearm, then the number of firearms owned is not important. It is the stress on the original licence, showing competence to own a firearm in the first place, in which the government is interested. A federal firearm licence will be required by anyone who owns a firearm, whether he be a hunter, skeet-shooter, or for whatever reason he wishes to own a gun. Persons who have a history of violent behaviour or of drug or alcohol abuse, or mental instability, will not be able to obtain a licence to possess firearms or ammunition. I applaud this measure. As I stated earlier, it is my sincere belief that the weapon itself is not dangerous, but that it is the person who pulls the trigger who can be potentially dangerous.

An application for a federal licence to own firearms will require certification by two guarantors drawn from an approved class of persons—similar to the requirements for Canadian passport applications—who will be required to certify that they know of no reason why the applicant is unfit to possess a gun or ammunition. The application would then be considered by a licensing officer or a registrar of firearms and, if approved, the licence would be issued for a period of five years. The system will be administered by the province and the RCMP, and will be totally self-financed with licence fees set at a level sufficient to cover costs.

I must also commend the government on its provisions governing the revocation of licences: reasons will be provided in writing and a right of appeal to a court of law will exist. The concept of licensing the individual rather than the firearms will, I believe, be accepted by the majority of hunters and participants in gun clubs, as they realize better than anyone else that restricting the use of guns to the responsible segment of our community is not only

desirable but a necessity in order that law-abiding citizens can continue to enjoy the use of long guns or shot guns. They, above all other citizens, realize that continued abuse of gun ownership would only result in a decline of their freedom, freedom they rightly cherish, and a right they should continue to enjoy as a result of their responsibility.

● (2110)

I realize that the section dealing with the age requirements for obtaining a licence is going to cause a certain amount of controversy, and that the provision that only those of 18 years of age will be able to obtain a firearm licence will be viewed as excessively restrictive, especially to rural areas. I also realize there is a special permit that can be obtained by minors over 14 for target shooting, game hunting, and instruction in the use of firearms; but there again that in itself may be unduly restrictive in rural communities.

I believe that the bill may be better served if a further clause were added to provide that children under the age of 18, with parental approval and when accompanied by an adult, could obtain a special permit without any restriction upon age. This special permit could then be modified so as not to allow for the purchase of firearms or ammunition and could only be used for purposes of target shooting, game hunting or instruction in the use of firearms. I hope the minister will take this into consideration as discussion of this bill proceeds.

Under the new law, Mr. Speaker, in order to implement the licensing aspect of this legislation all dealers in firearms will require a permit to engage in such a business. It is my understanding that this permit will be issued only when the registrar is satisfied that the dealer meets conditions specified in regulations; for example, that the dealer's premises are secure and the firearms and ammunition themselves are secure. If I may say so, Mr. Speaker, surely those people who are opposing this legislation cannot oppose a simple, straightforward, and logical situation which requires a dealer in firearms to have a secure premises. We should have had this requirement years ago, yet I have not heard one word said on items in this bill that I think we all agree are necessary and long overdue.

This will impose a certain hardship upon the gun and ammunition dealer since he will also be required to keep a record of all firearm and ammunition transactions in order to ensure that these transactions take place only with valid licence holders. This, of course, is going to be an imposition upon the small businessmen across Canada who are engaged in this type of business. Knowing this I can only comment that the inconvenience of recording these transactions are less severe than a total abolition of guns and ammunition. The present mood of the country is such that without this type of legislation the sale of firearms and ammunition conceivably could have been banned by this parliament.

The government's attempt to ensure that both buyer and seller are responsible is important but is only one half of the answer. Responsibility of those qualifying will not end with the issuing of a permit or licence. Those who possess firearms must use them with all due care for the safety not only of themselves but of those around them. The owner of a gun must take reasonable precaution in its use, carriage, handling or storage, and will now be liable to prosecution if those reasonable precautions are not taken.

This is again very similar to licensing an individual to operate a motor vehicle. The licence is not an absolute right, and the prosecution and conviction of a person operating a motor vehicle in a negligent manner are well understood in our society, especially by some of the lawyers on the other side of the House. Penalties for the owners who fail to take reasonable precautions in the use of a weapon should necessarily follow, just as negligent driving results in penalties to the owner of a motor vehicle. If there is disagreement with that, Mr. Speaker, then we had better go back to square one and to the law of negligence as it applies to motor vehicles. As I said earlier, I hope a right also carries with it a responsibility.

To those gun owners who may object to this part of the legislation, I would only bring their attention to what they have been saying, which is do not impose penalties on the responsible sector of our community or society. To this I say amen. What the gun clubs have not said is that that responsibility extends to the home and to the storage of these weapons. This, I believe, is a logical step in the carrying and handling of a weapon since most of the time the weapon is in the home and not being used. It is therefore imperative that, during these long periods of time when the weapon is not being used, it should be stored in a safe manner. Again, Mr. Speaker, I feel that is common sense.

Another aspect of the gun control legislation is the proposed change to the Criminal Code that will allow the police to seize a firearm without a warrant if, in their opinion, it constitutes an imminent danger to the safety of some person. An excellent example of why this amendment to the Criminal Code has been introduced is the threatening situation that may arise, for example, if the police are called to a domestic dispute and discover a firearm on the premises. It takes no great amount of intelligence to realize that there is potential danger, and it would be an irresponsible police officer who did not take appropriate action. We are now giving him discretionary power to do so.

Under the old legislation the police were powerless to take action. Under the proposed new legislation the weapon could be seized in order to protect the individual or individuals involved in the domestic dispute. It is my understanding that upon seizure a hearing would be held in court to determine the disposition of such a weapon, depending on the circumstances. It might be returned, destroyed or disposed of, depending on the court's decision. Once again the courts are drawn into it but, as I say, I welcome the discretionary power that is given to the police.

This may be regarded by many Canadians as a step toward a dictatorial government relying upon discretion and not upon the commission of the act itself. It may be argued that this allows too much discrimination to the police, and that if an officer makes a bad decision then it is the law abiding citizen who suffers. By the same token it is ridiculous to allow a group of terrorists to accumulate a cache of weapons and the police have to wait until a crime or act of terrorism is under way before these weapons can be confiscated. I realize the problem of discretionary power given to the police. They can be wrong on occasion. How-

ever, the greater weight of evidence would show that most police officers are responsible, and if the seizure of weapons would prevent the loss of life then I think that most members of this parliament would accept the discretionary powers of the police in dangerous situations.

In discussing gun control I, as with other members of this House, must accept the reality that criminal conduct will continue. Criminals must be made aware that the use of a firearm in the conduct of a crime will be severely punished, something that has not been the case to date. The new legislation specifically provides that when a firearm crime does occur the courts must have the power to demonstrate society's repudiation of such conduct. To deter the use of offensive weapons in the commission of crimes a separate offence to this effect will be created.

A person convicted of using an offensive weapon while committing an indictable offence will be subject to imprisonment for at least one year and possibly up to 14 years, regardless of what sentence has been imposed for the actual commission of the crime itself. This in itself should deter criminals from using firearms in the commission of a crime; if it does not, then what will result are longer sentences for criminals using weapons. I believe that this is a realistic step and I applaud the minister for his recognition of this very important fact of criminal life. We all deplore organized crime in our country, and all Canadians, including members of this House, will applaud laws to toughen the law.

● (2120)

In summary, I support the gun control legislation included in the peace and security measures of this legislation. To those who oppose this gun control legislation I say, what are the alternatives? Our society is based on the rights of the individual and the responsibilities of the individual. If, in society, use and ownership of firearms are permitted, such rights must be given with responsibilities attached to them.

For too long we have skirted the issue of gun control. Our neighbour to the south is an example of what can happen when gun control is not enforced. I do not think that we, in this country, want to restrict the use of firearms by law abiding, responsible segments of our communities; on the other hand we wish to restrict the ownership and use of firearms on the part of those not mentally competent, or those who, in their day to day life, have shown themselves to be not responsible. The present gun control legislation will not solve all our country's problems to do with weapons; but certainly it is a significant step forward in making sure that only those who are socially responsible will possess weapons.

Mr. William Skoreyko (Edmonton East): Mr. Speaker, it is a delight to participate in this debate. Since the opening remarks I have listened to it with interest. Let me tell the members of this House, and those who can make any sense of this complex legislation, that its deterrent effect, which is what the government intends, will be negligible.

This House again is being subjected to debate on legislation which divides this great nation. We are debating an emotional issue, misunderstood by too many, but only too well understood by serious thinking Canadians who find this legislation abhorrent.

This is another example of the deceit and deception the government practises for achieving yet unknown goals. Surely we should discourage the practice of introducing controversial legislation in omnibus form. If the government were sure of its ground, the gun law would be introduced by itself. The government would have tried to sell it to the Canadian people on its merits. But the legislation has no merits. The gun control provisions are part of Bill C-83, and to secure passage the government was forced to introduce it in its present form. Members like myself favour certain portions of the bill. Yet because I cannot support one provision I may be forced to vote against the entire bill. That situation is reprehensible.

The minister knows that not all of Bill C-83 is controversial. Many members can accept and support much of Bill C-83. Why then is it in omnibus form? The reason is simply fear.

I take this opportunity to congratulate the hon. member for Calgary North (Mr. Woolliams) for moving an amendment to sever the 39 pages of the bill to do with gun control from the remainder of the bill consisting only of amendments to existing law. Moving that motion demonstrates the concern of this party in attempting to debate, analyze, and come to reasonable and sensible conclusions on gun control legislation. We do not want to be under the stigma of having been influenced by the issues in the remainder of Bill C-83. We in this party believe certain gun control measures ought to be taken and are long overdue. In my opinion there is a more sensible and reasonable approach to the control of guns than is demonstrated in this bill.

No one denies the sincerity with which both ministers approached this subject. Yet all must agree that they are naive. What is the intent of Bill C-83? As presently constituted, it will require the registration of all firearms known, or prescribed, as restricted weapons. It will require the registration by licence of every gun. The provision will apply to all guns other than restricted guns. But the existing law—I am not talking of Bill C-83 but of law which has existed up to the time of the introduction of Bill C-83—contains provision for registration of sidearms. Guns with barrels shorter than 26 inches are illegal.

The present law does not deal specifically with exotic weapons, which are usually in the possession of private gun collectors who have owned them for years, usually because they served in the armed forces of Canada in one of the last two great wars. These are rifles which have sentimental value beyond evaluation. Some have been in families from one generation to another. This bill will make such rifles, by reason of their function, either prohibited or restricted weapons. None of these weapons has ever been used in the commission of a felony. Now they are on the restricted list.

Sidearms are the most commonly used weapons in the commission of crime. They are available, and have been for years, on demand. The underworld has never experienced difficulty in obtaining whatever weapons it needed when it needed them. The weakness in the law has been that, on arrest and conviction for possession of an illegal sidearm, the penalty has been a small fine and, in some cases, a slap on the wrist with a suspended sentence.

Instead of licensing sport shotguns and sporting rifles, which are legal game guns, we need stiffer penalties for illegal possession of restricted or prohibited guns. In other words, guns which are today known as restricted, namely, sidearms or weapons which can be fired with one hand, should carry an automatic penalty of five years in prison for illegal possession.

A Canadian should be able to own an exotic gun. If a free thinking Canadian attaches symbolic or sentimental value to that device, he should be able to register it and commit it to a place in his or her residence. The address can be known to the police. Removal of that weapon from its registered address should become an offence, unless authorization is obtained. The government need merely publish a list of restricted and prohibited weapons and request the people of Canada to register these weapons. Failure to comply within a certain time frame should become a serious offence. Compliance would be as under Bill C-83, but the provisions of such law would not challenge the law-abiding Canadian's right to own any number of sporting guns under penalty of a registration fee.

The premise that guns are responsible for so many homocides is most irresponsible. So are knives, fists, face towels, and hair brushes responsible for homocides. Is the government to ban all these? Ridiculous, you say. Sure it is. But to say that a registered weapon in a home will never be used in homocide is equally stupid. The problem of homocides in society is not that of guns per se. It is the people who use them, and for what purpose. Registration does not get at the reason for using a gun—

● (2130)

An hon. Member: Why do you say "registration"?

Mr. Skoreyko: Registration or licensing. Whoever the member is, if he ever owned a gun he would know that licensing is registration. Registration does not get at the reason for using a gun contrary to law. Anxiety, the struggle to keep one's head above financially troubled waters, lead to behaviour patterns we have experienced in recent years. What causes these undesirable behaviour patterns that confuse and compound the problem? The answer is taxation, double taxation as practised by this government, and simply the cost to the wage earner of earning a dollar. Then there is inflation which is the root of family problems in Canada, indeed in the world. The breadwinner works his guts out to better himself and his family, only to find that he is a little short in every pay cheque each month.

Also there is materialism. There is a tendency on the part of younger people in our society to start off a marriage at the top, something that traditionally has taken people of my generation years to accomplish. Sometimes it was never achieved in terms of the amenities upon which one may have targeted. However, that is life. One should set a pace, a pattern for achievement, material and professional. Too many times today we find, because certain projected goals have not been reached in time or seem out of reach, drastic steps have been taken to end it all in a "what's the use" sort of attitude. Government can play a role in easing the burden on society by relaxing controls—less government, not more.

[Mr. Skoreyko.]

Bill C-83 represents more controls, unnecessary controls, unworkable controls, expensive controls, and controls which can only be described as subversive. If you disarm the populace as was done in Hitler's time, in Stalin's time, and in Ireland, you leave the people at the mercy of unscrupulous politicians. Why do I say this, Mr. Speaker? The evidence is clear.

What kind of bureaucracy will it take to administer the gun control act? Will it take a bureaucracy of 50, 100 or 500 people? What will the cost be to the taxpayer? Since it is clear that the government wants this law to be self-supporting, what fees will be charged for the registration of a gun? What will be the cost of registering all guns? What sort of bureaucracy will be established?

Will it be a bureaucracy like the Anti-Inflation Board in respect of which it was said that no more than 200 people would be required to administer it? The figure is now nearly 500. Mr. Pepin says he will worry when the number goes over that figure.

The price of the Anti-inflation Board is no more than its worth to date, which is nothing. Is the same thing to happen in respect of this new branch of the Department of the Solicitor General? Will there be an additional 500 to 1,000 people; will there be another indirect tax, another intrusion into the Canadian way of life, and another step which will bring the government closer to defeat?

In recent years a burdensome, progressive or graduated income tax has been introduced. The government has abolished the right of inheritance. It has controlled the means of communication and indeed of transportation. The year 1968, by specious argument, contributed to the breakdown of moral virtues, honesty, sobriety, self-restraint, and the pioneering spirit. The government has attempted to shift people's minds off government by focusing their attention on the now infamous imposition of the War Measures Act, the Languages Act, the attack on the business community, wage and price controls, and the outburst in respect of the Quebec premier last week end. Mr. Speaker, what about that outburst?

An hon. Member: What about the bill?

Mr. Skoreyko: Mr. Speaker, I do not know what it is about the junior members of the caucus over there that makes them think that anything we on this side of the House say is not good.

The Acting Speaker (Mr. Turner): Order, please. I suggest that the hon. member address his remarks to Bill C-83.

Mr. Skoreyko: Mr. Speaker, I am addressing my remarks specifically to Bill C-83. I am trying to point out, for the benefit of those who do not know, the direction in which we are moving. The outburst in Quebec over the week end was referred to by the Minister of National Health and Welfare (Mr. Lalonde) simply as kibitzing on the part of the Prime Minister (Mr. Trudeau). We do not have to be told that he is a kibitzer. We knew that in 1968. When we have things such as the introduction in this House of the War Measures Act, wage and price controls and the statements during the 1974 election that wage and price controls were not good for Canadians, it is evident that only a kibitzer could be that phony.

Mr. Benjamin: You voted for those things.

Mr. Skoreyko: Mr. Speaker, the Prime Minister may have tried to fool some English-speaking Canadians of this country, particularly westerners, by what he said in Quebec, but he will not succeed because the Liberal Party knows that his usefulness to that party has come to an end and in the next election the Liberals will enter the election campaign with a new leader.

Worst of all, Mr. Speaker, is what has happened in recent times in this House. The government has attempted to cast a shadow over the judiciary. This is unforgivable. We had the OFY and the CYC. We saw the corruption of the young. We saw them move away from religion and to an interest in sex, alcohol and drugs. Finally we have the registration of firearms on the pretext of elimination of crime in our society, with a further view to their confiscation which would leave our society defenceless. This, to me, smacks of a communist doctrine.

Some hon. Members: Oh, oh!

Mr. Skoreyko: Mr. Speaker, for the vociferous junior members of the caucus opposite let me say that the prospect of an authoritarian government in this country is not an impossibility. The Liberals have effectively controlled one out of the ten provinces for 50 years. Through that power base the judiciary is now regulated; publicity, television and the media are regulated. Transport is regulated, as are magazines. Wage and price controls are in place. In other words, with the passage of this bill the machinery for a demagogue, to be turned into a benevolent dictator, is in place.

The gun clubs of this country are concerned about this legislation. They have had competent solicitors analyze the bill. The message contained in this bill has been conveyed to them. The gun clubs have said that they will monitor the vote on this legislation, and will attempt to defeat at the next election any member of parliament who supports this measure. You know, as I know, Mr. Speaker, that they cannot achieve that end, but God bless them for having the guts to try.

● (2140)

As a Senator said not too long ago, let us start treating criminal as criminals—let us start by replacing bleeding heart cabinet ministers with ones who have enough courage to administer the law of the land.

Some hon. Members: Hear, hear!

Mr. Skoreyko: Let us get away from the attitude that a criminal is an object of sympathy because he committed a crime and could be dealt with harshly. This attitude encourages crime, does nothing to curtail it. Let us not impose upon hundreds of thousands of law abiding Canadians a law which is punitive, unnecessary, and one that will create a bureaucracy that is uncontrolled, unbridled, and unforgiving in the administration of a law which requires citizens to register guns which play no part in the commitment of a crime but which denies the right of citizens to do something they have the right to do, namely, to own a firearm.

Some hon. Members: Hear, hear!

Measures Against Crime

Mr. John Gilbert (Broadview): Mr. Speaker, after listening to the wide variety of speeches I must conclude that it is a very fortunate thing that we do not carry guns into the House of Commons, otherwise we would have 264 by-elections within a very short time! I imagine that the strength of a democracy lies in the diversity of opinion on many subjects. We have certainly heard a real diversity of opinion with regard to gun control and the other aspects of the bill before us.

The law and order legislation contained in Bill C-83 euphemistically called peace and security is the government's response to increasing crime and rampant violence in Canada and to the serious fears with regard to personal security in the minds of most Canadians today. The five areas dealt with in the bill, namely, gun control, dangerous offenders, parole, electronic surveillance, and special crime commissions are but a tip of the iceberg approach to achieve a society free of fear, safe and secure. The legislation is a reaction to problems rather than an action. It is a response rather than an approach to problems.

What is needed is action in three areas: the area of prevention, the area of detection, and the area of treatment, so that when persons are apprehended and convicted there should be treatment programs based on reformation and rehabilitation in order that when prisoners are released they can take their rightful place in the community.

Now I should like to speak briefly on the question of prevention. Let me say that the bill goes only a short distance with regard to prevention. We do not have legislation here with regard to drugs. I thought that my colleague, the hon. member for New Westminster (Mr. Leggatt), and the lead-off spokesman for the Conservative party underlined very well the necessity for legislation dealing with hard drugs and the control of people who use them, because we have a very high rate of violent crimes among drug offenders. It is not only legislation that is needed, we also need programs.

Similarly, we do not have legislation and programs with regard to native people. We have heard comments from several hon. members, which is to their credit, emphasizing the need for programs with regard to the native people in Canada. They commented on the need for a change in attitude among them. It is not only necessary to have court workers and community centres. There is also a need for programs to give the native people a positive attitude and a direction within the community.

We also need legislation and programs to control the problem of child abuse, a problem of which we are increasingly more aware in Canada. When I hear of the federal and provincial governments cutting back on health and medical costs, this indicates to me a lack of appreciation of the growing problem of child abuse and of the necessity of having programs to control this problem and to assist in solving it.

I recall the time when, back in 1967, a bill was brought before us with regard to young offenders. This problem has been studied but there is no legislation, and there are no programs to deal with the problems of young offenders. One of the serious criticisms against the last bill on young offenders was directed at the lack of diagnostic and treatment centres. These are vitally important in order that any

legislation with regard to young offenders may be effective.

We need legislation and programs on housing, on full employment, on energy, and on inflation, because it is in these areas that the government has been a tragic failure. It is the government which is to blame for the devastating stress and strain on the individual, on family life, and on community life. What we need is priority with regard to spending.

When I hear of the millions of dollars that have been spent on EXPO and the millions of dollars which we anticipate spending on the acquisition of new aircraft it makes me realize that our priorities are probably at fault. The indictment does not lie on the shoulders of the Minister of Justice (Mr. Basford) or the Solicitor General (Mr. Allmand), but the indictment with regard to the problems of violence and fear lies on all of us. As Canadians we have failed miserably in bringing forth social programs to help solve these problems.

May I direct the attention of members to the problems of violence today, because the violence which we are experiencing in our society is putting fear into the minds of the people, a fear which must be combatted. I recall the statement of the late President Roosevelt who said that the only thing we have to fear is fear itself. We have this problem of fear with regard to violence.

I should like to direct the attention of the Minister of Justice to the evidence given by Professor Greenland before the Standing Committee on National Health and Welfare when he set forth some of the research that he has done on violence. Professor Greenland is a professor in social work at McMaster University. He specialized for the past seven years in research concerning violence. He spoke about some of the results of his study and he said that he had studied five different groups—one a group of 100 persons who have committed violent crimes against persons but have been found not guilty by reason of insanity, plus another group detained in Ontario mental hospitals who were found unfit to stand trial. These were serious offences that were committed by these people, offences such as murder, manslaughter and other serious crimes, often involving children.

The second group which he studied was composed of 100 persons who are inmates of penitentiaries and were found guilty of the same offences, namely, murder, manslaughter, and crimes involving children.

The third group was composed of 96 people currently incarcerated as dangerous sexual offenders.

The fourth group were people involved in murder followed by suicide. He pointed out that in Ontario in the last five years 65 individuals murdered, usually their children, then their spouses, and then destroyed themselves. He made a particular study with regard to that.

The final area he studied was the problem of child abuse.

● (2150)

There were four conclusions he reached about the problem of violence which were sent to the committee. The first conclusion was that there is a tremendous overlap in all these groups. In other words, the same people and the same members of families appear in each of the five studies, and even though violence takes on many manifestations and appears in many different forms, in many cases it involves the same individuals and the same families. That was one striking point.

The second striking point was that almost all the individuals studied had a common experience of severe deprivation in childhood. They were victims of inadequate child welfare and health services which failed to provide them with a basic system of care and protection. He pointed out that this severe deprivation in childhood is a cycle of deprivation which is passed on from one generation to another, with a multiplying effect with regard to violence and abuse within our society.

His third observation was that between one third and one half of violent criminal cases involve alcohol and drug abuse. His fourth was that in one half of all cases involved there was an adequate warning through help-seeking behaviour. In other words, people with mental conditions or mothers who were operating under great stress attempted to acquire help before an offence was committed; there was a failure in providing the proper health and mental care, and the result was that these people committed serious offences.

He underlined the programs which are necessary to deal with the environmental stresses of poor housing, poverty, and unemployment, and the necessity of having research to identify problems and to set forth programs to meet the problem of violence today.

If there is one thing the Minister of Justice should do it is to pay heed to the findings of Professor Greenland and other men within society who have made particular studies with regard to violence, because violence is the base and the rock bottom of many of our problems today. It is the rock bottom with regard to the fears people have, and the rock bottom with regard to the resultant actions.

When I consider the matter of gun control, which is dealt with in this bill, I notice that the main purpose of the gun control legislation is to control the availability of guns, to promote increased public responsibility in relation to firearms, and to increase the penalties for the use of guns during the commission of offences.

Right here and now I should like to give credit to the hon. member for Comox-Alberni (Mr. Anderson) who set forth tonight in detail his views with regard to gun control in Canada. He is to be credited for this because it was a detailed explanation.

One of the problems which besets most Canadians is the availability of guns. It is really shocking how easy it is to obtain a firearm. When we consider the figures involved we realize that guns claim one half of our murdered victims, that murders committed with the use of firearms in 1970 amounted to 178, whereas in 1974 they amounted to 272, that one third of Canada's 2,500 suicide victims clearly died as a result of the use of fireams, and that over 100 accidental deaths were caused by the use of firearms. Is it any wonder that we are reaping a whirlwind of violence when we have the availability of guns which exists today?

I am sure that I and most of the hon. members in my party welcome the licensing of persons and limitations on the use of guns by young people. I think the licensing provisions for five year periods are a step in the right

direction because having a gun must be a privilege and not a right, and in order to obtain a gun surely people should be able to prove their fitness, should be able to comply with the fitness test, plus produce the recommendation of guarantors with regard to their fitness to have a gun. That is only right and proper.

The expansion of the registration of restricted weapons, which will include pistols, automatic guns, sawed off guns, and Saturday night specials, is welcome, and so is the requirement of a test. The test is the protection of life, but allows the lawful occupation, authorized target shooting, and bona fide collecting. I could not agree more with the expansion with regard to registered guns because it was pointed out very effectively by the hon. member for New Westminster yesterday that in Canada only 10 per cent of murders are committed with registered firearms, whereas in the United States where they do not have registration of firearms more than 50 per cent of all murders are committed with firearms.

I hope that the three year phasing in period concerning licensing, educational programs, and research programs can be stepped up so that all Canadians can become fully aware of the problem.

When I hear some hon. members speak about the unwieldy and bureaucratic procedures which may be adopted for licensing guns I am inclined to think that they are nit picking and failing to recognize that the main purpose of the legislation is to control the availability of guns and to impose responsibility upon the public with regard to firearms. I hope that the licensing provisions will bring with them the necessity of a competency test, because every hunting season there are senseless deaths because of the incompetence of people who have control of guns. This not only applies with regard to the hunting season but also with regard to the accidental deaths which occur in homes.

It seems to me that the Minister of Justice and the committee should study the approach which has been adopted in England where there are strict requirements concerning licensing and registration, because here in Canada there is a sharp difference between people who own guns in the city and people who own guns in the country. I am led to believe that in England people who have guns, live in cities, and belong to gun clubs, obtain their licenses, and their guns are kept at gun clubs. They are not permitted to be taken home and left in closets or other places in the home, something which increases the availability of guns and the possibility of their misuse. I think we should give that some study and give it a try. Mr. Speaker, may I call it ten o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

Adjournment Debate

IMMIGRATION—ADMITTANCE OF MEMBERS OF PALESTINIAN LIBERATION ORGANIZATION TO HABITAT CONFERENCE—GOVERNMENT POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, the Minister of Manpower and Immigration (Mr. Andras) said in the House of Commons on November 18, 1975, that members of the Palestine Liberation Organization, and I quote:

● (2200)

> . . . who are not themselves known terrorists are not denied ministerial permits. They require them and they are granted when the person concerned is invited by a reputable Canadian organization and if the visit is to be a short and specific period.

In other words the policy of the government as stated by the Minister of Manpower and Immigration last November 18 was that PLO members who were known terrorists would not be granted ministerial permits to enter Canada for any reason or any purpose.

However, on December 22, 1975, Canada entered into an agreement with the United Nations regarding arrangements for Habitat, the United Nations Conference on Human Settlements, planned to take place in Vancouver later this year. Article II of the agreement says that "participation should be open to the following upon invitation or designation by the Secretary General". It goes on to list not only article II(A) "Representatives of States", but also article II(E) "Observers from national liberation movements and organizations entitled to participate in the conference". The latter would include the PLO.

Article XVII of that agreement states:

> All participants referred to in article II above and all other persons performing functions in connection with the conference, who are not nationals of Canada, shall be granted visas and entry permits, where required, free of charge and as speedily as possible, so as to permit the applicant to participate in the conference without undue inconvenience.

There is no reservation whatsoever by Canada in this agreement of the right to exclude anyone listed in article II(E), even on the grounds that they are known terrorists and therefore clearly ineligible for entry into Canada under Canadian immigration law and the government's policy for its administration.

But what about Bill C-85 which the House approved some weeks ago? This bill gave the Minister of Manpower and Immigration the authority to refuse to allow visitors into the country without first having formal deportation proceedings and without giving reasons for such exclusion. This bill applies for the period ending next December. But the bill states that the minister "may" use this authority; he is not bound to do so. It is at his discretion.

The minister's use of this discretion will obviously be subject to and limited by the commitment the government made to the United Nations last December 22 when it signed the agreement to hold Habitat in Canada. The wording of that agreement is such that it obliges the government to admit even those the government considers to be known terrorists if they are invited or designated by the Secretary General of the United Nations to attend. The clear words of the agreement seem to clash with the answer given by the government House leader to my question in the House on March 1 when, as Acting Prime Minister on that date, he said:

As far as I know, the Canadian government has never changed its view which was that we would admit observers from the PLO, but not known terrorists.

I therefore ask again, Mr. Speaker, as I did on March 1, how can the Canadian government, after signing the agreement with the United Nations last December, continue to say it will exclude from Canada members of the PLO who are known terrorists? That agreement obliges it to admit them when they are invited or designated by the United Nations Secretary General to attend Habitat.

Does not the signing of this agreement mean that to this extent the policy stated by the Minister of Manpower and Immigration last November 18 has been changed by the government? Also, how and why has this been done without a word of explanation and justification by the government to parliament and the Canadian people?

A more complete answer to these questions would be of interest, I think, to the many Canadians who, like myself, want to see the Habitat conference held in Canada next summer but who do not believe that to do so it is necessary for the government to abandon completely Canadian sovereignty when it comes to enforcing our law as to who is admissible to our country.

[*Translation*]

Mr. Fernand E. Leblanc (Parliamentary Secretary to Minister of Labour): Mr. Speaker, in the absence of the minister, and because of the illness of his parliamentary secretary, I have been asked to answer tonight to the hon. member for Windsor West (Mr. Gray).

[*English*]

When the hon. member for Windsor West raised the question concerning the admittance of members of the PLO to the Habitat Conference to be held later this year in Vancouver, the Acting Prime Minister replied that, as far as he knew, the Canadian government has never changed its view, which was that we would admit observers from the PLO and other groups, but not known terrorists.

I wish to re-assure the hon. member that the government has not changed its policy in this regard and Bill C-85 reinforces, in fact, the government's position on exclusion of terrorists. It is important to point out that the hon. members agreed to Bill C-85. It passed all stages in this House in one day.

The agreement between Canada and the United Nations with respect to the Habitat Conference authorizes the Secretary General of the United Nations to invite observers from groups such as the Palestinian Liberation Organization. However, we reserve the right to refuse individual members should they be known terrorists.

LABOUR CONDITIONS—REASON FOR REFUSAL TO PERMIT AIR LINE EMPLOYEES TO PROSECUTE AIR CANADA

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, on February 26 I asked the Minister of Labour (Mr. Munro) to say what criteria he used for withholding of the granting of consent pursuant to section 194 of Part V of the Canada Labour Code to CALEA to prosecute Air Canada and two of its officials. I became suspicious of the minister's proper use of his power when in 1973 he delayed giving his consent under the relevant section when an application was made by CALEA to proceed against Air Canada at that time. The minister witheld his consent until the time limitations of the statute made the consent useless and, needless to say, the counsel for Air Canada, Mr. P. E. Armstrong, was not too happy and on September 25, 1973, he stated, by letter to the president of CALEA, the following:

The application for the minister's consent was filed on May 30, 1973 and, as you will recall, remained in the hands of the minister for a considerable period of time, a formal consent being received in this office on July 27, 1973. It is perhaps more than coincidental that by the time the consent of the minister was received, the time prescribed by the Canada Labour Code for filing a complaint with the board had expired.

In 1976 we find another scenario when CALEA once more sought the minister's consent pursuant to Section 194 to proceed against Air Canada. This time the consent was refused and again we find the counsel for CALEA protesting vigorously.

On December 17, 1975, Mr. MacGregor, counsel for CALEA, sent a telegram to the Minister of Transport (Mr. Lang) in which he clearly outlined the situation with respect to a required consent so that certain employees of Air Canada, and the company itself, could be taken to task for violating Section 184 of the Canada Labour Code because of their actions in interfering with the representation of employees of Air Canada by the Canadian Airline Employees Association. In addition counsel pointed out that Air Canada and the individuals involved had not followed Section 136 of the Canada Labour Code which grants to the Canadian Airline Employees Association, a certified bargaining agent, exclusive authority to bargain collectively on behalf of employees in the bargaining unit.

On January 26, Shirley Carr, Executive Vice-President of the Canada Labour Congress, contacted the Minister of Labour, pointed out that the CLC had reviewed the supporting material supplied with the application for leave to prosecute Air Canada, the manager of Labour Relations, Mr. Norm Radford, and Mr. Dale Akinson, the general manager of Finance Branch. Mrs. Carr pointed out that on the basis of the information available there appeared to be ample ground to grant leave to prosecute. In any event the minister refused his consent and as Mr. MacGregor, the counsel for CALEA points out in a letter written to Mr. Kelly of the minister's department of February 24 of this year, and I quote, in part:

I do not understand your statement that the minister had little alternative but to deny consent to prosecute when our application follows quite clearly Section 8 of the Canada Industrial Relations Regulations. You have shown us in no area that we have been deficient in our particular application—rather you have attempted to convince us to follow one of two alternative remedies open to us under the Canada Labour Code. For obvious reasons which are outlined above we have chosen not to seek a remedy which would have no effect whatsoever upon the corporation or persons complained against but rather we have sought a remedy which would, if we are able to prove our case, provide to the parties involved and to the public clear indication that those sections of the Canada Labour Code shall not be breached or if they are going to be breached they would be breached under fear of penalty by a court of competent jurisdiction.

● (2210)

At the same time, in addition to alleging a violation of section 136 of the Canada Labour Code it would be quite simple for us to allege a violation of section 148 of the Canada Labour Code covering the duty to bargain with a certified bargaining agent. If such were the case, no

doubt the position of the department would be the same—that the Canada Labour Relations Board has exclusive jurisdiction to determine the issue. I need not repeat my previous remarks about what appears to be a total misstatement of the law, at least to me.

He went on to say:

The reasoning underlying the minister's evident decision in this matter is somewhat hazy but I think it is incumbent upon you to consider that the interpretation of the Canada Labour Code as expressed in your letter of February 18, 1976, is not, in fact, totally correct and does not represent the wishes of parliament in regard to the amendments which were made in 1972 and 1973. Carrying your logic to its ultimate extreme I would say that whenever I act for an employer in a difficult bargaining situation I would feel almost bound to advise my client that he could breach section 184(1), as the Department of Labour does not feel that such a breach constitutes an unfair labour practice which would amount to an offence which could be prosecuted.

Counsel continued:

I would feel bound to tell my client that the Department of Labour has stated that we would go to the Canada Labour Board who could say my client was wrong in doing what he had done and perhaps add that he should not do the same in the future. The damage would, of course, already have been done and the position of the union could be totally destroyed at that time. Such a course would not be followed if that particular employer were aware that he was open to penal sanctions for such action.

That is one scenario, and this is where I come to my point. This is a case where the Minister of Labour and his department are dealing with a powerful Crown corporation and appear to be taking a very generous attitude. Look at the other side of the question. By coincidence, I have documentation of a case where consent to prosecute was given by the minister pursuant to the same section, section 194.

Here is the case of two seamen, Garry Ward and Roland Moreau, employed by Upper Lakes Shipping Limited. They were prosecuted, and on the date Garry Ward was to appear he was in fact anchored in the bay in Toronto Harbour and could not get to shore. On the day Moreau was to appear he was in transit to Chicago, somewhere on the Great Lakes, and could not appear either. A summons was issued in the case of Garry Ward, and he must appear in the Toronto provincial court on April 22 in courtroom No. 37.

I must admit I am astounded the minister would grant consent in such an instance. There is ample jurisprudence to support the proposition that when discretion is exercised, such as was done in this case, such discretion must be founded in reason and must be based upon a reasonable evaluation of all the surrounding circumstances. It would be interesting to know what the positive circumstances were in this case which dictated the granting of consent to prosecute. I hope the minister will enlighten the House as to the criteria he uses in granting this consent because I believe that in this case he has left a lot to be desired.

Mr. Fernand E. Leblanc (Parliamentary Secretary to Minister of Labour): Mr. Speaker, in reply to the hon. member's question the following will serve to explain why the minister refused consent to prosecute Air Canada and two of its representatives.

First, the union's application alleged unfair labour practices by Air Canada and its representatives resulting in a violation of sections 184 and 136 of the Canada Labour Code. Since matters pertaining to unfair labour practices with respect to violations of sections 148, 184 and 185 are the responsibility of the Canada Labour Relations Board and are not subject to prosecution proceedings, the Minister of Labour (Mr. Munro) could not exercise the authority granted him under section 194. The exemption of section 148, 184 and 185 from prosecution proceedings through summary conviction is reinforced by section 191(2) of the Canada Labour Code.

Second, with respect to section 136 of the Code, also alleged to have been violated, the applicant was advised by the Department of Labour that the minister's decision to refuse consent to prosecute was not directed at section 136 in isolation but to the union's application as presented, taking into account the whole of the union's application which was considered to be predicated on a violation of section 184.

In notifying the applicant of the decision to refuse consent the applicant was also advised that should an application be resubmitted in accordance with the requirements of the Canada Industrial Regulations, addressing itself to section 136 or any other section of the Code other than sections 148, 184 or 185 coming within the Labour Relation Board's responsibility, deemed by the applicant to have been breached, the minister would consider such an application in the usual manner with a view to granting consent to prosecute.

TRANSPORT—REQUEST FOR ASSURANCE OF FULL USE OF EAST COAST PORTS

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I hope my speech will be regarded as the opening shot in a fight to have grain and flour traffic continue through Atlantic Canada. It is promised by the government's program recently announced, which was followed up by a question that I and my colleague from Dartmouth-Halifax East asked of the Minister of Transport (Mr. Lang) on February 26 last. That is the reason for this awe-inspiring assembly this evening.

I had originally asked, as reported at page 11270 of *Hansard*:

In the interests of sharing whatever transportation dollars can be made available among the Canadians, would the minister and the government consider measures which will keep goods moving into or out of Canada moving as much as possible through Canadian transportation systems, not United States ports?

I had in mind when I asked that question the roughly $12 million a year traffic in flour and grain that goes through the port of Halifax, our small portion of the rather massive traffic in one of our greatest products from western Canada. While the minister said that he would not consider any draconian measures against the port of Halifax, the fact is that we know that the subsidy under section 272 of the Railway Act for the carriage of grain and flour to the eastern ports will disappear under the government's program.

This has prompted a telegram from the chairman of the Halifax-Dartmouth port commission, Mr. J. W. E. Mingo, to the Minister of Transport. I should like to point out that Mr. Mingo has been a lifelong supporter of the party to which the minister has the misfortune to belong. The telegram, in part, said this:

Termination of the subsidy and the statutory rates will cost Halifax its export flour trade, estimated at 200,000 tons in 1976, and will greatly reduce the throughput of grain at its elevator, thereby increasing the operating deficit of the elevator to the point where its closure will be inevitable.

I thoroughly agree with Mr. Mingo. It is a very marginal operation. The telegram then makes this point:

Prairie grain moves at statutory rates to Vancouver and Thunder Bay, at an annual loss to the railroads which is now estimated at $150 million or more (and which has to be subsidized by other traffic, including export-import traffic moving to and from the port of Halifax), and from Thunder Bay via the St. Lawrence Seaway at highly subsidized tolls to Montreal, Bay Comeau, and the other river and gulf ports. How is it that this $11 million subsidy on the movement of grain to eastern ports in singled out for termination?

That is a very good question. Why do we get hit, and other places in Canada do not get hit at all? I suggest no political reason for that. Rather, it is a convenient figure to pick out because it happens to relate to a particular region of Canada. If we had been part of the St. Lawrence Seaway system, for example, we would never have been picked out, yet we receive less than one tenth of subsidies paid elsewhere. I think this is an injustice.

I see the Minister of Transport is not in the House tonight, but he will be for the debate, and it is going to be a long one. We will see that the minister is here and that he answers. There will be a day of accounting, and I will tell the House why. There are three main reasons.

● (2220)

First, the government's proposed measure makes the people of Halifax—probably the people of Saint John feel the same way—feel less part of Canada. Anything which limits their ability to participate in the transportation of any one of the great products of this country makes them feel less part of this country.

Second, the government's measure will mean that Halifax is less than a totally effective port. We have been crippled, in one sense, as a small but vital part of our trade is being taken from us. That, very likely, is the position we shall be in.

Third, the government is ignoring the concept that transportation should be a bond holding Canada together. It should bring us together, I am never sure what one means when one says that transportation should pay its way. Heavens, we have all watched the "National Dream" and learned of the great risks our forebears took to unite Canada and to make all Canadians from, in those days, Cape Breton to Vancouver Island, feel they belonged to one country. Now one must talk of all Canadians from Newfoundland to Vancouver Island.

I do not know why the government has suddenly ignored those aspirations for the sake of a small sum here or a small sum there, although the budget is tight. The government's action is one with which we do not want to live.

If we have in mind what we want to achieve together as a nation would it not be better to pay a $12-million shot, and thus make the people of Nova Scotia feel that they belong to Canada? Would that not be better than taking their business away, and leaving them to look at things happening along the St. Lawrence Seaway and elsewhere?

[Mr. McCleave.]

I assure you, Mr. Speaker, and I want the parliamentary secretary to assure the minister, that this is the opening shot in the battle. It will be a long battle. The point will be raised time and again. We in Halifax feel that we should be part of the national transportation system. We do not think any minister, or any government, should take that concept away from us.

Earlier I tried to arrange a 30-minute meeting between the Minister of Transport and longshoremen of Halifax for the purpose of discussing this very issue. I wanted the minister and longshoremen to discuss measures which would prevent much of our trade coming through the United States. We are in favour of our trade coming through Canadian ports like Halifax, Saint John, Montreal, Quebec, Toronto, and the like. But my request was refused. Now it is war. The minister will have to account for his position.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am pleased to be able to respond to the question raised first in this House on February 26, 1976, by the hon. member for Halifax-East Hants (Mr. McCleave) requesting assurance of the full use of east coast ports. I trust that I will be able to offer my hon. friend some comfort in connection with the concerns he raised.

Several of the ports under the jurisdiction of the National Harbours Board compete for business with ports in the United States. Evidence of any specific traffic leaving from or destined to points in Canada which is handled at U.S. ports is carefully investigated to determine the reason. Action is taken to recapture the traffic at Canadian ports, and the quality of port services is under constant review to ensure that Canada's ports are competitive in every possible way.

It is the policy of the Ministry of Transport that port charges will be based as far as reasonably possible upon the user pay principle. Over-investment or under-utilization of port facilities could therefore lead to increased charges, and the problem facing government is to maintain a balance between the over-all investment in and the demand for such facilities in order to keep Canada's ports competitive. In addition to ensuring that ports are competitive in terms of over-all transportation costs, some other contributing factors are: the ability to provide fast turn around times to vessels, and labour stability. The minister must look at the over-all system on the east coast to satisfy himself that a particular port is competitive with others on the Atlantic seaboard.

To the best knowledge of the Minister of Transport (Mr. Lang), major Canadian ports are competitive, reflecting the continued interest of local government, provincial governments, and the Government of Canada in keeping them as competitive as possible.

At the port of Halifax, which understandably is very dear to the heart of the hon. member, there has been a great deal of publicity concerning expansion of the existing container terminal facilities. The present terminal was completed in 1971 and containerized cargo has increased steadily. In 1975 a total of more than 126,000 loaded 20-foot equivalent boxes were handled, which accounted for nearly 1.4 million tons of cargo. Recent general economic

conditions have been responsible for a drop in the level of activity during the past several months, but it is anticipated that recovery will start to take place during the next year and a half or so.

A small joint federal-provincial task force has been appointed to assess the report of a consultants' firm concerning a proposed extension of these facilities in the port. The deputy minister of development of the province of Nova Scotia and the Chairman of the National Harbours Board will direct the work of the task force which will examine the impact of the consultants' recommendations, review traffic projections, and consider the short-term operational improvements for the port that are outlined in the consultants' report. The task force is expected to report to the minister within the next two months.

The consultants were retained by the provincial government in December after the Department of National Defence advised the government of a number of conditions that would have to be met if the container terminal were to be built in Wright's Cove.

The Acting Speaker (Mr. Turner): I am sorry to interrupt the parliamentary secretary but his time has expired.

Motion agreed to and the House adjourned at 10.27 p.m.

HOUSE OF COMMONS

Wednesday, March 10, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ADMINISTRATION OF JUSTICE

PROPOSAL THAT MINISTER OF PUBLIC WORKS MAKE A STATEMENT OUTLINING HIS CONVERSATION WITH JUDGE HUGESSEN—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise on a matter of urgent and pressing necessity. Considering the fundamental importance of the right of the people of Canada to be certain that the executive branch of our government does not interfere with the judicial branch; considering also that the Prime Minister has asserted that the government will take no further action on the alleged impropriety in this respect on the part of some of his ministers unless a specific grievance is made by the Chief Justice of the Superior Court; and following the report made last night that the Minister of Public Works specifically attempted to ascertain the conditions of a judicial settlement on behalf of the Minister of Consumer and Corporate Affairs (Mr. Ouellet), I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House urges the Minister of Public Works to make a statement in the House outlining the exact nature of his conversation with Judge Hugessen, so that members of the House and the public will have the opportunity of judging, independent of the opinion of the Chief Justice of the Superior Court of Quebec, whether or not the Minister violated his obligations as a minister.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 such a motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HEALTH

SUGGESTED CONSTRUCTION OF TUNNEL TO CONFEDERATION BUILDING TO PERMIT MEMBERS TO JOG AND IMPROVE FITNESS—MOTION UNDER S.O. 43

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I rise under Standing Order 43. In view of the fact that the minister of health has just introduced the fit kit, and in view of the fact that the government is spending several thousands of dollars annually on bus transportation, gasoline and oil, I move, seconded by the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds):

That the government give immediate consideration to the construction of a tunnel connecting the Confederation Building to the existing West Block tunnel so that the minister of health can jog along with Mitch and members and staff of Confederation in order to save fuel and tax dollars and improve his fitness and our physical fitness.

Mr. Speaker: Order, please.

* * *

THE CANADIAN CONSTITUTION

REQUEST THAT PRIME MINISTER OUTLINE PROPOSAL TO BRING CONSTITUTION TO CANADA—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave of the House to present a motion under Standing Order 43 regarding a matter of urgent importance. I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House urges the Prime Minister, at the earliest opportunity, to make a speech or a statement in the House of Commons, outlining clearly the precise steps he has in mind in connection with his proposal to bring the British North America Act to Canada and under Canadian control.

Mr. Speaker: Pursuant to Standing Order 43 such a motion can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION OF JUSTICE

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—INQUIRY AS TO CONTENT OF CONVERSATION OF MINISTER OF PUBLIC WORKS WITH JUDGE HUGESSEN

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Public Works. Last Wednesday, as reported at page 11457 of *Hansard*, the Minister of Public Works said that, along with other persons, he had contacted the Associate Chief Justice of Quebec to "effect a solution to" the appeal of court proceedings. In trying to find a solution, did the minister, as was alleged last night, try to sound out the presiding judge as to how the court would respond to an apology by the Minister of Consumer and Corporate Affairs?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I think I made it clear, and the Leader of the Opposition must be aware, that this particular incident is currently under review by the Chief Justice of Quebec. The Prime Minister has suggested—I am in full concurrence and I think the House will be—that the Chief Justice should be allowed time to conduct his inquiries and to reach a judgment, rather than have a number of other individuals concurrently exploring the matter.

● (1410)

Mr. Clark: Mr. Speaker, as the minister well knows, the inquiry by the Chief Justice of Quebec is into a matter related to judges. What this parliament and the people of Canada are interested in has to do with the conduct of ministers of the Crown.

Some hon. Members: Hear, hear!

Mr. Clark: Let me repeat the question to the minister. There have now been public allegations as to the content of his conversation which he admitted having with a member of the Bench of Quebec. Will the minister now stop dodging and tell the House whether he tried to sound out the presiding judge as to the question of the response of the court to an apology by the Minister of Consumer and Corporate Affairs?

Mr. Speaker: Order, please. With all due respect, as the Leader of the Opposition stated, that is a repetition of the question. The minister made an answer, such as that answer may be, but that is the answer that has been given. I cannot really, in view of the rules, permit a repeat of the question.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—KNOWLEDGE OF PRIME MINISTER OF CONTENT OF CONVERSATION BY MINISTER OF PUBLIC WORKS WITH JUDGE HUGESSEN

Mr. Joe Clark (Leader of the Opposition): The Prime Minister said yesterday in answer to a question that I posed, and I quote:

> I have heard from the three ministers who were mentioned in Justice Mackay's letter . . .
>
> I listened to their version and feel that their explanations indicated clearly that they were not attempting to influence in any way the judgment of the courts.

That is the position of the Prime Minister. Did the Prime Minister ask the Minister of Public Works what the minister said to the judge, particularly with regard to the statement to effect a solution made by the Minister of Public Works and the statement relevant to the full knowledge of the facts being possessed by the judge? If so, did the Minister of Public Works raise with the judge the matter of a response to an apology and the political impact of the verdict by the courts? Will the Prime Minister give that information to the House of Commons?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I indicated to the House that I had raised this matter with the ministers and that they had given me an answer which I found satisfactory. However, I conceded from the very first day that this important matter was discussed that the view of the courts may be different. I think that the Minister of Public Works in his answer just now stated in the most perfect way possible the attitude of the government, that attitude being that we in this House should not be telling the chief justice what his court should feel and not feel and we should leave that for him to decide.

Some hon. Members: Hear, hear!

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—VIEW OF PRIME MINISTER ON WHETHER OR NOT THERE WAS INTERFERENCE

Mr. Joe Clark (Leader of the Opposition): Whatever the report of the Chief Justice of Quebec, is the Prime Minister prepared to tell this House whether there was intervention by ministers of his Crown—

Some hon. Members: Oh, oh!

Mr. Clark: —with the courts of Quebec and what was the nature of that intervention? Is he prepared to tell this House that, instead of shunting it off to a judge? Does he deny this House the right to that kind of information?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am glad the Leader of the Opposition is back on track. Yesterday he was worried about what ministers were telling each other. Now, he is back to the really important question of what ministers may have been saying to judges and whether this did or did not constitute an attempt to influence the course of justice. I have reached the conclusion unilaterally, a one-sided point of view if you wish, that there was no such attempt. I am, of course, prepared to hear the courts argue the contrary and demonstrate the contrary. If the courts feel aggrieved and feel there has been an attempt to influence the course of justice, that indeed will be a very serious matter. At that point we will have to establish whether the court's or ministers' version is correct. Of course, at that point I cannot pretend that I will be the judge of a matter in which I was involved. I will then discuss with the opposition ways in which we can seek out the truth in this matter.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—INQUIRY WHETHER MINISTER OF PUBLIC WORKS CALLED JUDGE HUGESSEN ON OWN INITIATIVE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a brief supplementary for the Minister of Public works which might be described perhaps as a point of clarification. Would the hon. gentleman state unequivocally whether the telephone call he made to Chief Justice Hugessen was done solely on the minister's own initiative or whether it came following conversations and consultations with any of his colleagues?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, this is only slightly less direct than the previous questions.

VIEW OF PRIME MINISTER ON POLITICAL INTERFERENCE WITH JUDICIARY

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I am certainly amazed at the minister's reticence, but let me ask one more supplementary of the Prime Minister. As the Prime Minister seems satisfied with the Minister of Public Works' statement to the House last Wednesday and his private explanation, does the Prime Minister accept any kind of political interference with the judiciary on matters immediately before the courts so long as it cannot be proven. Is that the rule over there, that you can behave as you like so long as you can get away with it.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): It seems to me, Mr. Speaker, that the member is forgetting a very important fact, that the Chief Justice of the Superior Court of Quebec is an independent agent and that he will make his decision on this very matter which is of such concern to the opposition.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—DECISION AS TO WHETHER OR NOT THERE WAS INTERFERENCE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I should like to ask the Prime Minister whether it is his view that this issue is to be resolved entirely on the basis of the judgment of the Chief Justice of the Superior Court of the Province of Quebec; is he to be the judge of whether or not there was interference which is to be considered? Does the Prime Minister not agree that it is even more importantly a matter of the Prime Minister himself or one of his ministers deciding whether or not they took the right or wrong course of action, independent of whether or not the chief justice agrees with it?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it would seem to me that if the action is said to be wrong, as the hon. member puts it, it will be wrong because the courts come to the conclusion that they have been interfered with.

Mr. Fairweather: Oh, no!

Mr. Trudeau: Mr. Speaker, if there was no interference with the course of justice in the very judgment of those who in this House are claiming the contrary, then surely it is not for Parliament and certainly not for this government to tell the courts how they should feel about whether they are discharging their duties freely or not.

Mr. Broadbent: Mr. Speaker, I could not agree less with what the Prime Minister just said.

Some hon. Members: Hear, hear!

Mr. Broadbent: I want to ask the Prime Minister whether it is not possible that the Chief Justice of the Province of Quebec can reach a conclusion—and I am not questioning his motives—that the conversation that was alleged to have taken place last night between the Minister of Public Works and the Chief Justice did in fact take place and that he, the judge, decides that it was not political interference. The Prime Minister, I am sure, will agree that is a possibility, but I should like to ask him if that is so would he not, as Prime Minister, judge that that kind of conversation if it is true, does constitute interference with the courts.

Mr. Trudeau: No, Mr. Speaker. I think I can be quite clear on that. If the courts say they have not been interfered with I shall not argue that with them and say that they should know they have been interfered with.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—POSSIBILITY OF MEMBERS LEARNING CONTENT OF CONVERSATION OF MINISTER WITH JUDGE HUGESSEN

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, then I should like to get clear a matter which follows from that. Is the Prime Minister also saying to the House today, as in the past, that we will not learn the nature of the conversation that took place between the Minister of Public Works and Judge Hugessen unless the chief Justice of the Superior Court of the Province of Quebec decides there was interference.

Right Hon. P. E. Trudeau (Prime Minister): Well, they shall not learn certainly by way of a public inquiry set up by the government.

Mr. Broadbent: Any other way?

Mr. Trudeau: Or any other way; I suppose they can attempt to learn any way they want. Apparently the press is informing them on what happened. But in our view the essence of the question is whether the courts have been in some way interfered with in the discharge of their duties. Surely, that is the question which should occupy the House. We have before the House one piece of evidence, a letter by Mr. Justice Mackay which, it is now well known, contains some inaccuracies. I think it would be improper for the House to try to examine in any depth the nature and the extent of these inaccuracies.

● (1420)

An hon. Member: Why?

Mr. Trudeau: Because if the hon. member wants to do it, it must be done by way of impeachment, and I do not intend to bring such a motion.

Some hon. Members: Absolute nonsense!

Mr. Trudeau: How else can you examine a judge but by bringing him here before the House?

Some hon. Members: Oh, oh!

Mr. Paproski: You are sucking and blowing at the same time.

Some hon. Members: Oh, oh!

[*Translation*]

AGRICULTURE

INQUIRY WHETHER PRIME MINISTER WILL MEET MILK PRODUCERS BEFORE NEW POLICY ANNOUNCED

Mr. René Matte (Champlain): Mr. Speaker, I want to ask a supplementary question of the right hon. Prime Minister, who appoints judges.

I take the liberty of changing the subject. Could the Prime Minister tell the House whether industrial milk producers, who are feeling rather tense now because of the apprehension caused by the official announcement of the policies of the government which is forthcoming, could relax if the Prime Minister agreed to meet the representatives of these producers? Would the Prime Minister tell the House whether he is willing to meet them before the deadline of April 1?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member is probably not aware that a great number of milk producers came here to Ottawa last night. There was an important meeting between the members of our caucus and these milk producers. I regret that the hon. member was not informed.

INQUIRY WHETHER EASTERN MILK PRODUCERS WILL BE GIVEN SAME TREATMENT AS WESTERN PRODUCERS

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to ask the right hon. Prime Minister another supplementary question.

Can the right hon. Prime Minister assure the House that he will show as much consideration for eastern milk producers as for their western counterparts, so that eastern producers not be the only category of workers in Canada who not only will not have to comply with anti-inflationary measures but will, in addition, following last night's meeting, see their incomes shrink below the 10.2 per cent inflation spiral?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the latter hon. member is as ill-informed as the former. A meeting took place last night between four ministers, thirty odd Liberal members and milk producers, and what the hon. member reported is not what actually did take place.

INQUIRY WHETHER PRIME MINISTER WILL MEET WITH FLUID MILK PRODUCERS

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I would also appreciate it if the right hon. Prime Minister would indicate clearly whether he is willing to meet fluid milk producers from Quebec or the representatives of the Agricultural Producers' Union, because we know quite well that last night the dairy producers did not see the Prime Minister. They only got evasive promises. This morning, they are deceived. They would like to be sure today that they will meet the right hon. Prime Minister and no one else.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am obviously pleased to hear the hon. member say that four ministers and thirty odd members of the House are not as important, to the dairy producers, as the Prime Minister. I think that this is not very nice for the leader of the Social Credit Party, who is not always there to meet the people when hon. members receive delegations.

Mr. Speaker, before a fourth Social Credit member rises to make inaccurate allegations, I would like to say to the third member that the discussion in Ottawa relates to industrial milk and not fluid milk. The hon. member is in the wrong House, he should discuss fluid milk in Quebec City because here we are dealing with industrial milk.

* * *

[*English*]

THE ADMINISTRATION OF JUSTICE

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—KNOWLEDGE OF PRIME MINISTER OF MINISTERS' INTENTION TO APPROACH JUDGE HUGESSEN

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I should like to get on to the topic of spilled milk. I should like to address my question to the Prime Minister. Last Thursday at page 11486 of *Hansard* the Prime Minister said he had not been told by the Minister of Public Works about his conversation with the judge. I wonder if it is agreed by the Prime Minister that the problem of the Minister of Consumer and Corporate Affairs, as it is alleged, was a matter of intense concern within the government and at the highest levels of the Liberal Party. Did the Prime Minister have no other indication that the ministers of the government and eminent citizens had and were considering approaching the judge?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must complete the premise of the question. What I indicated to the House was that I had no knowledge when the Minister of Public Works was doing it or after he had done it. He did not tell me he was going to, nor did he tell me, until this whole thing came before the House, that he had approached Judge Hugessen, so that is the context in which I replied.

On the other matter, I believe the hon. member is asking if high members of the Liberal Party were concerned about the matter. Perhaps the hon. member could be allowed to rephrase the question because I am stuck on the premise and I want to make sure it is precise.

Mr. Hnatyshyn: For clarification, the question I asked was whether any other minister of the Crown in fact communicated with the Prime Minister with respect to the approaching of the judge at the time this incident took place. The Prime Minister referred to no communication being had with the Minister of Public Works. I am asking whether there were other ministers or other persons who made approaches so that the Prime Minister had knowledge in advance of the intended approach to the judge.

Mr. Trudeau: No, Mr. Speaker, I know of no other minister who approached the judge in this case.

Some hon. Members: Who approached you?

Mr. Trudeau: Who approached me about approaching the judge? No, I indicated that I did not know the Minister of Public Works had approached the judge.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—BASIS ON WHICH MINISTER OF PUBLIC WORKS INTERVENED WITH JUDGE HUGESSEN

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I should like then to address a question to the Minister of Public Works. Yesterday the minister once again raised, as a means of avoiding answering questions directed to him with regard to any instructions received from or discussions held with cabinet colleagues, the suggestion that there is privilege in this whole area on the basis of Privy Council confidentiality. Does the minister take the position that his intervention on behalf of the Minister of Consumer and Corporate Affairs was a matter of governmental business? I hope the answer will not be in the affirmative.

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, with regard to the circumstances surrounding the conversation I think I would continue to say I would prefer not to answer specific questions and not to have the inquiry conducted piecemeal in the House.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—KNOWLEDGE OF PRIME MINISTER OF CONTENT OF CONVERSATION BETWEEN MINISTER AND JUDGE HUGESSEN

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is to the Prime Minister about a matter which is not before the chief justice of Quebec.

Some hon. Members: Hear, hear!

Mr. Lawrence: Yesterday the Prime Minister informed the House that he had received an explanation of what was said by his Minister of Public Works in relation to this matter, so I now ask the Prime Minister, did the version of what transpired, indicated to him by the Minister of Public Works, include the allegation that the Minister of Public Works attempted to ask the justice if an apology and retraction by his cabinet colleague would affect the result of the determination of the court? That is in respect of a conversation between the minister and the Prime Minister. That is not before the chief justice of Quebec.

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, but that is between the minister and myself. I want to make it very clear, if I want to enlarge the area of suspicion, that I also talked to the Minister of Consumer and Corporate Affairs about the matter which was before the court. I am sure he consulted other of his colleagues than the Minister of Public Works.

● (1430)

An hon. Member: That is not the question.

Mr. Trudeau: What he told me in this conversation and what he asked me is not a matter I intend to put before the House.

Mr. Lawrence: Why not?

Some hon. Members: Oh, oh!

Mr. Trudeau: I am sure hon. members opposite understand why not. They are members of parliament. Surely, it must happen that they have perhaps constituents who approach them about a matter that is before the courts—

Some hon. Members: Oh, oh!

Mr. Trudeau: —and who ask for advice about a matter which is before the courts.

Some hon. Members: Oh, oh!

Mr. Trudeau: I would not expect a member of parliament to tell this House what he was asked.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

INQUIRY WHETHER MINISTER OF PUBLIC WORKS HAS BEEN INTERROGATED BY CHIEF JUSTICE OF QUEBEC

Mr. Allan Lawrence (Northumberland-Durham): A supplementary question, Mr. Speaker. In a matter such as this which cannot possibly affect government business—

Some hon. Members: Oh, oh!

Mr. Lawrence: —but which affects the honour and integrity of the caucus—

Some hon. Members: Hear, hear!

Mr. Lawrence: —sir, my appeal to you is that in respect of the privileges of this House how can a member of the Crown—

Some hon. Members: Hear, hear!

Some hon. Members: Order, order!

Mr. Speaker: Order, please. I think we have to be clear that if there is some appeal in respect of the privileges of the House, that will have to be heard at three o'clock. If the hon. member has a supplementary question he can put it now.

Mr. Lawrence: Mr. Speaker, in order to differentiate this whole matter may I ask the Minister of Public Works whether the Chief Justice of the Superior Court of the Province of Quebec has yet interrogated him on what he said to the Associate Chief Justice of that court.

Hon. C. M. Drury (Minister of Public Works): No, Mr. Speaker.

Mr. Lawrence: Did you say no? That is the whole point.

Mr. Sharp: What point?

Mr. Speaker: The hon. member for Annapolis Valley.

Some hon. Members: Hear, hear!

Oral Questions

VIEW OF PRIME MINISTER ON WHETHER PEOPLE SHOULD CALL JUDGES ABOUT CASES—REASON MINISTERS SHOULD CALL JUDGES

Mr. J. P. Nowlan (Annapolis Valley): I must say, Mr. Speaker, that I hope the thump of approval—

Mr. Fairweather: "Thump" has gone!

Mr. Nowlan: —will not deflect from the thrust of my question. I have enjoyed sitting here these past days after a couple of days away, to find out how the government of Canada can carry on. I should like to ask a very simple question of a very simple man, the Prime Minister of this land.

Some hon. Members: Hear, hear!

Mr. Nowlan: In view of the questions and answers given by the Minister of Public Works, for whom I have a great deal of personal regard—

Some hon. Members: Hear, hear!

Mr. Nowlan: —and the Prime Minister on this whole question of phone calls and privilege and all the hocus pocus that might be around the questions, is the Prime Minister suggesting today, in view of his answers and the talk of constituents and the fact that there seems to be a bar of privilege that those involved Canadians who happen to find themselves before the courts of their land should phone one of the judges to talk about their case or have their friends phone one of the judges to talk about the case?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

An hon. Member: Why not?

Mr. Nowlan: Mr. Speaker, I did not fully hear the Prime Minister's answer.

Mr. Speaker: The answer was no.

Mr. Nowlan: I am glad the Prime Minister at least goes that far, that all Canadians should not phone judges.

An hon. Member: Just ask the question.

Mr. Nowlan: The question, man from Thunder Bay, McRae, is this, to the Prime Minister: If all Canadians involved in the courts should not phone judges can he explain to me, with his knowledge of constitutional law, why any cabinet minister should phone a friend on the bench to discuss a case involving a colleague, or, even to ask him for a gold date let alone anything else. Why did he phone?

Mr. Trudeau: Mr. Speaker, I think by asking the question the hon. member has really supplied me with an answer. I gave it in the House last week.

Mr. Nowlan: I was not here last week; I was taking a break.

Mr. Trudeau: It would be interesting to know if the hon. member was holding a golf date with a judge, Mr. Speaker. The answer really is the answer I gave last week. It is possible, and happens frequently, that citizens, not only members of parliament but citizens, talk to judges.

An hon. Member: Not about cases.

Mr. Trudeau: I have talked to judges frequently, Mr. Speaker. The essence of the question is "Did you talk to the judge in order to influence the judgment or to influence the course of justice"? That is the relevant—

An hon. Member: Or to try.

Mr. Trudeau: That is the relevant question. I say that to my knowledge, to my information which I acquired after the fact because I did not know from one minister or the other that they were going to do this, having listened to them after this was done I came to the conclusion that they did not attempt to influence the course of justice.

Mr. Lawrence: Tell us upon what you based your conclusions.

Mr. Trudeau: If the courts feel otherwise, I believe we should hear to that effect from the courts. That is the position of the government. Now, that the hon. member has been refreshed perhaps he wants to ask a third question.

Mr. Nowlan: Mr. Speaker, I appreciate the indulgence of the Prime Minister in allowing me another supplementary. It is just with regard to part of his answer that I have found myself in this tangled web because I was away from this scene when the news broke.

Some hon. Members: Oh, oh!

Mr. Nowlan: My question to the Prime Minister is this: again with his knowledge of constitutional law, let alone parliamentary practice—and that I am not so sure about—does not the Prime Minister of this land think that the very fact of a phone call to a judge sitting in decision on a colleague in cabinet is interference, either direct or implied, or could be considered that way by the judge who received the phone call regardless of the intentions of the government friend who might have made it?

Mr. Trudeau: Of course it can be considered that way, Mr. Speaker, and that is why it is a very serious question. But we have an example of one judge, Justice Mackay, who indeed considers it that way then we have the example of another judge, Judge Aronovitch who says he does not agree with Judge Mackay that he consider it that way. Surely this is relevant. We have to know if the judges got that kind of phone call and they are the people who can tell us, not hearsay from members of parliament.

Mr. Baker (Grenville-Carleton): So can Drury tell us. Drury can tell us, too. Why don't you tell us?

[Mr. Speaker.]

[*Translation*]

TRANSPORT

PROPOSED REMOVAL OF TOLLS CHARGED PUBLIC TRANSPORT ON CHAMPLAIN BRIDGE, MONTREAL

Mr. Jacques Olivier (Longueuil): Mr. Speaker, I have a question for the Minister of Transport.

Mr. Speaker, may I ask a question which has nothing to do with sugar? They have just understood.

Can the minister inform this House whether he intends to remove tolls for public transport on Champlain Bridge, between Montreal and the south shore, in agreement with the province of Quebec?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I considered action along these lines after submissions were made to me by the hon. member and several others. I am certainly sympathetic to the principle involved. There are some discussions going on with the province of Quebec in connection with the operation of the whole enterprise, and I thought that for the moment at least it would be better to let those discussions continue before reaching any firm conclusion.

* * *

ADMINISTRATION OF JUSTICE

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—INQUIRY AS TO TERMS OF REFERENCE AND REPORT OF CHIEF JUSTICE OF QUEBEC

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is for the Prime Minister. In answer to the hon. member for Oshawa-Whitby the Prime Minister continued to refer to whether the courts had been influenced. My question is whether the terms of reference given to the department of justice of Quebec are beyond whether the courts were influenced. Surely, those terms of reference refer to whether there was any attempt whatsoever to influence. I should like the Prime Minister to confirm whether the judge has those terms of reference. Further, if the chief justice reports that no influence was exercised, and no attempt was made to exercise it, has the Prime Minister still not a political responsibility to this House for the conduct of his ministers?

● (1440)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member listened to the Minister of Justice the other day, he will realize that "terms of reference" is perhaps used in a loose sense by the hon. member. We did not give terms of reference to the chief justice of the Superior Court as to how he should inquire from his own judges about certain things. We asked the judge to inform us. More precisely, the Minister of Justice asked the judge to inform him or to give him any information which might be in his possession. How he will come in possession of it is his problem and privilege. Whether it will be through a full inquiry, through talking to his judges or reading the correspondence I do not know. We are asking him to give us information that might be in his possession respecting any unwarranted attempts to interfere with proper administration.

Mr. Baker (Grenville-Carleton): Can there be warranted attempts?

Mr. Trudeau: That is what we are talking about.

Mr. Baker (Grenville-Carleton): Can there be warranted attempts?

Mr. Trudeau: Mr. Speaker, I am sure the hon. member cannot have missed the point I am making. We are not defining. He should not latch on to particular words. We are not telling the judge what to do.

Mr. Baker (Grenville-Carleton): I am more worried about what the Prime Minister may do.

Mr. Trudeau: We asked him to inform the Minister of Justice if he feels there have been unwarranted attempts to influence the course of justice.

Mr. Baker (Grenville-Carleton): Yes, but can there be warranted attempts?

Mr. Trudeau: Mr. Speaker, of course there are warranted attempts. Any lawyer pleading a case is attempting that.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): What a shameful display.

Mr. Paproski: Where do you think you are, in Quebec city?

Some hon. Members: Oh, oh!

Mr. Trudeau: As for the second question the hon. member asked, namely, even if the chief justice finds that there have been no unwarranted attempts, does the matter rest there, or will I not be concerned and look into the matter further, the answer is that, in this whole system of allegations, that will have been the answer which satisfies me. If the judge feels that his court has not been the victim or object of unwarranted attempts, I will then have the word of the court and the word of my ministers that they have not attempted to influence the course of justice, and I do not see how I could listen to the opposition which is basing its position on hearsay.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Paproski: Now we know what the Prime Minister thinks.

Mr. Clark: We are just a bunch of nobodies.

Mr. Leggatt: Mr. Speaker, apparently there is one law for cabinet ministers and another law in Canada applying to the general public.

Some hon. Members: Hear, hear!

Mr. Leggatt: I asked my question because I wanted to know how the Prime Minister feels about these two standards. If the chief justice of Quebec is not given terms of reference relating to what he shall study and report on, how can the Prime Minister rely on that report in terms of anything other than what the judge says vis-à-vis the courts? What about the political ramifications of this whole affair? I ask this, since the Prime Minister has now closed his options with regard to the conduct of his own ministers.

Mr. Speaker: Order, please. I am sure the hon. member for New Westminster will be the first to agree that his question was largely argument.

POSSIBILITY OF NEW TRIAL FOR KEITH LATTA—GOVERNMENT POSITION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I change the subject and direct a question to the Minister of Justice which relates to his ministerial discretion to order a new trial in a certain case? Will the minister order a new trial for Professor Keith Latta, of Queen's University, who was convicted of murder? I ask this as I understand that Department of Justice officials, the police of Edmonton, the defence attorney involved in the case and others are to meet with a certain witness, Sylvia McCauley, alias Le Tendress, to determine facts which were either suppressed at the trial of Mr. Latta, who is convicted of murder, or which came to light after the trial was completed. It is alleged that she knew certain facts which were suppressed during the trial. I ask, is that meeting taking place and will the minister, at his discretion, keep the door open for Mr. Latta, so that there may be a new trial of this matter?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I am not sure whether the precise meetings to which the hon. member refers are taking place, but discussions are going on between my officials and authorities in Alberta for the purpose of making recommendations to me, or rendering advice to me as to whether a new trial should be ordered or other procedure undertaken pursuant to section 617 of the Criminal Code. As I explained to the hon. member previously, I hoped to make a decision before now, but have not.

POSSIBILITY OF NEW TRIAL FOR KEITH LATTA—REQUEST FOR ASSURANCE WITNESS NOT SUBJECT TO DURESS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I direct a most serious supplementary question to the minister? Apparently the witness signed a statement, but the evidence came to light after the trial ended and the appeal procedure was completed. As she signed the statement, will the minister make certain that no pressure is brought to bear on the witness and that she is not put under any duress to change her statement. This is a most serious matter affecting Mr. Latta, and there are some grave irregularities which could affect all in this House.

Some hon. Members: Oh, oh!

[Mr. Leggatt.]

Mr. Woolliams: Mr. Speaker, I do not know why hon. members opposite are hollering. This is an important matter involving the life and liberty of one of our country's citizens.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I was under the impression the minister was about to answer.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I agree with the hon. member. The question is serious and the matter is serious. I think I am properly entitled to assume that the appropriate authorities in Alberta will not apply duress which the hon. member suggested might be applied. I understand that interviews with Mrs. McCauley would be conducted in the presence of an officer of my department. One of his duties and obligations would be to assure that no duress is applied.

* * *

● (1450)

FISHERIES

EFFORTS TO ADVISE GREENPEACE ORGANIZATION ON CONSERVATION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is to the Minister of State for Fisheries. Now that the Greenpeace organization has shown the good sense not to interfere with the seal hunt by marking the seals, possibly because the minister amended the sealing regulations, for which he should be commended, but more likely because 200 Newfoundlanders stopped them, may I ask the minister this question: since the Greepeace organization is now turning its efforts toward the whole area of conservation, and since it is obvious they do not know anything about conservation, what action is the minister taking to educate or advise them?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): I thank the hon. member for his kind words. I always thought that anyone who spent a couple of days in Newfoundland would better understand something, and they have in this case. I see through press reports that the leader of the New Democratic Party, who also spent a couple of days in Newfoundland, supports our position.

I would say to the Greenpeace organization—and I do not doubt the sincerity of their minds and hearts—that if they do want to discuss conservation there are avenues open to them, including a committee of advisers on seals, chaired by Professor Ronald, who is not an employee of the government. This committee has gone along, with some doubts, with the hunt this year on condition that we be very careful, and carefully assess the stocks for next year. This, we shall do. I rejoice that the confrontation which seemed to be on the horizon may not take place. I hope everyone is very cautious since the ice is dangerous. I also hope that the Greenpeace movement will take advantage of the fact that the parliamentary committee on fisheries and forestry is sitting in the next few days. If they want to attend and be heard or discuss matters with the officials, we are perfectly open to that.

AIRPORTS

INCREASE IN USER CHARGES—GOVERNMENT POSITION

Mr. William Skoreyko (Edmonton East): Might I ask the Minister of Transport whether it is now departmental policy that a 60-cent per hour fee be charged for flying training plus a $1.30 last landing charge at MOT airports? Does the minister think these charges are justifiable in the light of the heavy taxes and duties which are already being paid on these very small aircraft?

Hon. Otto E. Lang (Minister of Transport): I would not try to deal with the question as it concerns excise tax. It is our proposal, however, to increase the whole series of user charges so as to move basically to the position that those who use the facilities should pay a larger proportion of the cost rather than leave the cost to be borne by the taxpayers generally. The charge in this case has not been increased for a long time and the landing fee to which the hon. member referred is a last landing fee with application to training aircraft and I think it is reasonable in the circumstances. I am quite prepared to discuss the exact nature and administrative details of any user charge with those who are having to pay them.

* * *

SPORTS

SUMMER GAMES AT ST. JOHN'S, NEWFOUNDLAND—AWARDING OF CONTRACT FOR MAIN COMPLEX WITHOUT TENDER

Mr. Dave Rooney (Bonavista-Trinity-Conception): Mr. Speaker, my question is to the Minister of National Health and Welfare and it concerns the Canada Summer Games to be held in St. John's in 1977. Have the minister or designated officials of his department concluded negotiations with Newfoundland regarding federal funding of this event? If not, is the minister aware that the main contract for the games facilities valued at $4.47 million has already been awarded without public tender to the chairman of the Summer Games Committee?

Some hon. Members: Oh, oh!

Mr. Speaker: Order. I hesitate to interrupt the hon. member but he has put a question which was asked just a few days ago.

* * *

NORTHERN AFFAIRS

DELAY IN PUBLICATION OF REGULATIONS COVERING EXPLORATION FOR OIL AND GAS IN NORTH—POSSIBILITY OF COMPANIES CONTINUING IN INTERIM

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is addressed to the Minister of Indian Affairs and Northern Development. In view of the minister's announcement recently that publication of the northern land regulations would be delayed until the fall of 1976 at the earliest, has the minister proposed any plan or made any promise to the oil companies to induce them to carry on exploration in the Arctic in the meantime?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): It is our hope we would be able to make the intent of the regulations, the regime under the regulations, known in the next six weeks or so; it will be longer before we can put it into legislation.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I gather from the minister that he still made no offer or inducement to the companies to carry on in the meantime.

Mr. Buchanan: It is our hope that this will be the result of the publication of the regulations.

* * *

ADMINISTRATION OF JUSTICE

POSSIBILITY OF COMPENSATION FOR EXPROPRIATION OF PROPRIETARY RIGHTS—GOVERNMENT POSITION

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is directed to the Prime Minister since it arises out of one piece of legislation and one piece of regulation which deal with different departments. One concerns the expropriation of arms under the gun control law, and the other the expropriation of fishing licences under the change in the lobster fishery.

Has the Prime Minister considered or set any force to work to deal with compensation for the expropriation of proprietary rights?

Right Hon. P. E. Trudeau (Prime Minister): I think this is an important question and one which has obvious legal implications. I must ask the hon. member to let me take notice of it and determine whether in fact what he describes as proprietary rights are such, either in law or in equity, as to give rise to a requirement for any compensation.

* * *

SUPPLY AND SERVICES

POSSIBILITY OF LOAN TO LOCKHEED—PROVISION OF INTERIM FINANCING

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I will address my question to the Minister of Supply and Services in the absence of the President of the Treasury Board. Can the minister inform the House whether the government is now considering lending something over $100 million to the Lockheed Aircraft Company?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, we never talked about lending money to Lockheed Aircraft Corporation, Ltd. In fact, the contract to be signed did not provide for any down payment and the contract which was negotiated and was to be signed never mentioned that Lockheed would finance the government.

[*English*]

Mr. McKinnon: I should like to thank the minister for the openness of that answer. The Minister of National

Defence, however, is on record in *Hansard* at page 11402 as saying an extra $111 million must now be added to the cost of the LRPA to cover interest payments on interim financing. Can the minister advise the House who is providing such interim financing and to whom is the $111 million in interest being paid?

[*Translation*]

Mr. Goyer: Mr. Speaker, the Minister of National Defence could answer this question. Unfortunately, this does not fall within the realm of my responsibilities.

* * *

[*English*]

AGRICULTURE

SUGGESTED CURTAILMENT OF IMPORTS OF MILK PRODUCTS—GOVERNMENT POSITION

Mr. John Wise (Elgin): Mr. Speaker, my question is directed to the Minister of Agriculture and it relates to the dairy industry and its associated problems. In a recent speech to dairymen in Uxbridge, the minister gave an indication that he was looking into the possibility of cutting off imports of milk products, which were being heavily subsidised by exporting countries. This is encouraging news, and since the situation referred to contributes largely to our own domestic surplus position, could the hon. gentleman give us some indication of his progress in this regard?

Hon. E. F. Whelan (Minister of Agriculture): I understand meetings are to take place next Tuesday to discuss the subsidies which vary from week to week and sometimes from day to day on dairy products, the specialty cheeses to which I was referring. We have made a decision, and my colleague the Minister of Industry, Trade and Commerce announced recently there would be no increase in the 50 million pound quota. Since then, we also decided that we would be reviewing the subsidies, as has been done in the United States where they have been successful in removing the subsidies from cheese products entering that country in 90 per cent of the cases.

* * *

EXTERNAL AFFAIRS

RETURN OF SPENT FUEL FROM NUCLEAR REACTORS ABROAD—ENVIRONMENTAL PROBLEMS CONNECTED WITH DISPOSAL AND STORAGE

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the minister's statement with reference to the Korean reactor that we have not required the spent fuel to be returned to Canada—that we did consider such a course seriously but abandoned it because of the environmental implications—what are the environmental implications of returning the spent fuel to Canada?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Well, Mr. Speaker, the question which has been put did not actually arise in the form in which it had originally been considered, because the Koreans decided not to proceed with the acquisition of a reprocessing plant.

Mr. Wenman: Having regard to the agreement with India presently under discussion, may I ask whether spent fuel from that reactor will be returned to Canada for reprocessing to make sure that Canadian material will not be used to produce further nuclear explosions. Further, can environmentally sound methods of the storage and disposal of waste be found?

Mr. MacEachen: I think I should explain to the hon. member, to avoid misunderstanding, that while the issue, as an issue, disappeared because of the decision of the government of South Korea not to acquire a reprocessing plant, the main reason for not insisting upon the particular provision referred to was that upon analysis it was not felt to be anything but a marginal safeguard. In other words, even if this particular provision were insisted upon it would be possible for a country wishing to do so to proceed to make a bomb. It was not an important item in the system of safeguards. We have no such line of discussion at work with the Indians at the present time.

* * *

● (1500)

CONSUMER AFFAIRS

JUSTIFICATION OF INCREASE IN PRICE OF BREAD BY McGAVIN TOASTMASTER

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct my question to the Minister of Consumer and Corporate Affairs. Yesterday the Anti-Inflation Board announced that it would permit McGavin Toastmaster, a subsidiary of Labatts and Ogilvie Flour, and Weston Bakeries to raise the wholesale price of bread by one cent. This means an increase in the retail price of two cents for Weston, which owns both the bakery and the supermarket. In view of the preliminary Food Prices Review Board study, which found that concentration in the food industry has resulted in Canadians paying 4 per cent too much for their food, would the minister explain how this increase is justified; and if the minister cannot do so, would he ask the Anti-Inflation Board if it will give an explanation to the public, in view of the public's concern that price increases are not being restricted by the board?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): My answer to the first part of the question is no, to the second part, it is yes.

* * *

AGRICULTURE

INQUIRY WHETHER PRIME MINISTER WILL MEET MILK PRODUCERS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, a few minutes ago the Prime Minister answered my colleague from Champlain who asked him whether he was prepared to meet the farmers and the milk producers

whom the leader of the Social Credit Party of Canada was not always available to meet. He is right in saying so. What we did ask and again I repeat is whether the Prime Minister is prepared to meet the farmers whom the members of his caucus met last night, whom we met this morning at eleven o'clock and who express the wish to meet the right hon. Prime Minister. I realize that he cannot see them at any time during the day, but if he sets a date, day or time, these people, the farmers, would like to discuss their problems with the Prime Minister of Canada. This is the only thing we ask him, that is whether he would meet the farmers and when.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I often meet delegations throughout the year, and of course a delegation as important as an agricultural one would have priority on my agenda. In fact, every year I have met groups from the Federation of Agriculture or other farming organizations. It will be a matter of finding, if possible, a date that suits both parties.

I merely wish to add, for the benefit of the leader of the Social Credit Party, what I have already told other members of his party, that is to say, that in our party, it is at times as useful, if not more so, to meet, as was the case yesterday, extremely active and energetic members, four ministers who know far more about the subject than I do, since my responsibilities are somewhat broader. The idea is to get the farmers the best audience possible. I thought they had had it yesterday. Now if it simply a matter of having the pleasure of seeing me, of shaking my hand, Mr. Speaker, I should be happy to meet them. If they are still here, I shall see them when I leave the House shortly. As for the presentation of arguments, I believe that was done yesterday. I trust my hon. members and ministers to give me a reliable report on what occurred. I will merely add that if the leader of the Social Credit Party wants to welcome all the delegations that come to Ottawa and I must meet, I shall be pleased to oblige and will ask him why, last week, he did not meet the eight bishops who came to Ottawa to discuss serious problems. Why did the Social Credit Party of Canada not meet them? Did they not have time to meet those bishops and religious leaders? Mr. Speaker, one cannot do everything one would like to do in a day. We try to share the responsibilities as best we can.

[*English*]

Mr. Lalonde: Mr. Speaker, I rise on a point of order. A few moments ago there was a question from the hon. member for Bonavista-Trinity-Conception (Mr. Rooney) about the Canada Summer Games.

Some hon. Members: Order!

Mr. Speaker: Order, please. I wonder whether the House would permit me to hear the point so I can decide whether there is a point of order.

Mr. Lalonde: Your Honour ruled at the time that the question had previously been asked. That is true. I think it was asked last Friday of the Acting Prime Minister, who replied that he was not aware of the situation but would look into it. Therefore no answer was provided to that question. I respectfully submit, Mr. Speaker, that today when the hon. member raised the question he was asking for information that was not available to the House last Friday, and therefore the hon. member should have been entitled to ask the question again.

Mr. Speaker: Order, please. Is the hon. member for Oshawa-Whitby (Mr. Broadbent) rising on the same point of order?

Mr. Broadbent: Yes, Mr. Speaker. Speaking on behalf of my colleagues we would willingly give the minister an opportunity to answer, and I hope the House does, since we asked that very serious question on Friday.

Mr. Speaker: Order. The fact is that the Minister of National Health and Welfare (Mr. Lalonde) has raised a point of order which is well taken. The test is not, as I have phrased it, whether or not the question has been asked previously; the test is whether the question has been answered previously. The fact is that a minister of the Crown undertook to look into the matter and to bring in an answer later. If I took that as a non-answer in this particular situation I would have a number of grievances on my hands, something which I have faced before.

Perhaps the best solution would be for the hon. member tomorrow to put the question to the same minister who undertook to give an answer, or at least by way of some preamble to indicate that he is seeking an answer which was previously sought. The custom of the House is that if a member, having asked a question on Friday, is expecting to be given an answer today, the courtesy of the House ought to be extended in such a way that the member who asked the question originally should be the one who should ask the question the second time.

Mr. Lawrence: Mr. Speaker, I rise on a question of privilege. My question of privilege relates to the question of whether privilege applies in a given set of circumstances. I want to determine if, in a matter that does not relate to government business or parliamentary affairs, any parliamentary or statutory privilege lies in conversations between ministers of the Crown and/or the Prime Minister (Mr. Trudeau).

My understanding is that the Speaker must rule on whether a prima facie question actually exists before a motion is framed for reference to the Standing Committee on Privileges and Elections. Therefore I am giving your Honour notice now that I desire to frame such a motion, but I would ask the Chair to give consideration to whether or not such a motion is receivable.

Mr. Speaker: If the hon. member is referring to any lack of response to a question put during the question period—

Mr. Lawrence: No, sir, I am not.

Mr. Speaker: —then, of course, it is the right of any minister to refuse to answer any question during the question period. If the hon. member was referring to that, then no question of privilege arises because there is no obligation on a minister ever to make any answer to any question in the question period. If the hon. member has something else in mind, perhaps he might put it to the Chair.

Mr. Lawrence: Mr. Speaker, my question relates to the fact that ministers of the Crown are pleading privilege in answer to questions during the question period. I under-

stand that they do not have to give an answer to a question if they do not want to; but if they plead privilege—

Mr. Speaker: Order, please. The hon. member may be able to argue that privilege has been pleaded which is fallacious or which has some loophole in it either in law or parliamentary procedure, but the fact is that the hon. member for Northumberland-Durham (Mr. Lawrence) has asked the Chair whether or not a prima facie question of privilege exists. My answer is that a prima facie question of privilege does not exist, because there can be no obligation upon a minister to answer.

The reason the minister gives for not answering may be weak and might be subject to political commentary, but this cannot found a question of privilege because, as I have already said, there is no obligation upon a minister to make any answer.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order that is related to matters which have been put before Your Honour on which you have made a statement respecting the refusal of ministers to answer, particularly with respect to the exchanges which have taken place in this House over the last little while in regard to ministerial intervention in the Quebec courts.

I understand what Your Honour has said, that if ministers feel it proper or necessary they can refuse to answer questions that are put to them during the question period. But what I very strongly object to is the usurpation by a minister of the Speaker's authority by attempting to invoke, improperly as it happens, rules of the House which would help the minister to avoid admitting that he does not want to answer.

● (1510)

When asked about direct interventions with the judiciary, the Minister of Consumer and Corporate Affairs (Mr. Ouellet) invoked the sub judice rule on the grounds that he is involved in a contempt of court proceeding. It is obvious that when a question is put in the House, it is up to Mr. Speaker to intervene if the rules are offended. I suggest that the minister examine Standing Order 12(1) which reads:

> Mr. Speaker shall preserve order and decorum, and shall decide questions of order. In deciding a point of order or practice, he shall state the Standing Order or other authority applicable to the case.

I wish to point out respectfully to the House that at no time has the occupant of the Chair, including Your Honour, intervened to cite the sub judice rule. The minister decided to do so on his own. Aside from whether the minister should be judging the procedural acceptability of questions put to him, I wonder whether that rule helps him in this case because on February 11 Your Honour stated, as reported at page 10844 of *Hansard*, and I quote:

> It is clear to me at this point, however, that in any event no restriction ought to exist on the right of any member to put questions respecting any matter before the courts particularly those relating to a civil matter, unless and until that matter is at least at trial.

Sir, you also indicated that you wanted a little more time to deal further with the matter. I hope that the time has come when you are ready to make a detailed statement on the subject of sub judice, with relation to both civil and criminal proceedings at all stages, so that we will be spared

[Mr. Lawrence.]

the kind of evasive nonsense being built up into a question-proof barrier around the ministers concerned with these events.

However, even if the doubts about when a question is or is not "before the courts" cannot be immediately cleared up, I want to join other members in saying that the sub judice rule is no defence at all anyway, because the subject matter of our questions does not concern the minister's loquacious clumsiness in getting into a contempt of court proceeding, but the nature of his extra-legal attempts to get out of it. That is the issue in the questions we have been putting before this House. It is in that light and in those circumstances that this rule ought to be examined. This rule ought not to be invoked by any minister of the Crown; if a minister of the Crown attempts to invoke it, he ought to be told plainly and clearly.

The line of questioning has dealt with the activities of the Minister of Public Works (Mr. Drury) and his conversations with the Minister of Consumer and Corporate Affairs which come very close to a prima facie case of infringement of a section of the Criminal Code. That only follows, incidentally, matters which are before the court as a result of the improper words, so found by a court of law, of the Minister of Consumer and Corporate Affairs. They do not have anything to do with any matter that is before the court and which could be sub judice and ought to be so found by you, Mr. Speaker.

The minister has implicitly invoked Beauchesne, citation 181, to avoid answering questions on this matter. If he went no further, he would at least be on firm ground procedurally. Whether he would be doing himself or the House any favour is another question. I hope he realizes the opposition has an obligation to pursue this, as he has an as yet unfulfilled obligation to tell the House whether he did or did not instigate an interference with the course of justice.

Mr. Speaker: Order, please. I think the hon. member for Grenville-Carleton (Mr. Baker) will agree that I have allowed him a great deal of leeway on what in fact amounts to substantive criticism of the minister for failing to answer questions. While the hon. member for Grenville-Carleton had the floor on a point of order, he raised the question of sub judice. At no time has the Chair ruled on any question that has been raised. There has never been an interference, either under the guise of privilege or the sub judice rule, with the right of hon. members to put questions. There has, however, been a refusal by ministers to answer questions, on whatever grounds. Those grounds are limitless.

It is in fact the right of the ministry at any time simply to fail to make an answer, or to make a response which gives some reason for failing to make an answer. The criticism of that response, such as it may be, is always a matter of political or public comment. The question is, does it offend the rules of this House?

I repeat, at no time has the Chair intervened to interfere with the right of any member to put questions under those rules in respect of this particular matter. Therefore it would seem there has never been any application by the Chair of the rule as has been described by the hon. member for Grenville-Carleton.

The refusal of the minister to answer questions, on which the hon. member was beginning to comment, is indeed a matter for fair comment. However, it does not constitute a point of order in view of the fact ministers that have the right at all times simply to refuse to make answers.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I would not quarrel with your comment in respect of this matter because I think you have stated the obvious in a very clear and succinct way. What I would like to say is that it would be very helpful to this House, in view of the matters in which we are involved as well as those previously before us, if Your Honour could give us the benefit of your reflections on the sub judice rule so that it will at least be clear that the minister's refusal to answer our questions can have nothing to do, from a procedural viewpoint, with anything directly before the courts.

Mr. Speaker: I hope I made that perfectly clear. I should say to the House that in light of the establishment of the committee, of which evidently I will be the chairman, which has been brought into existence largely at the instigation and initiative of the hon. member for Peace River (Mr. Baldwin), which I think will inquire into the rights and immunities of members of the House of Commons, I had intended to reserve any further comment, unless it was necessary, with respect to the sub judice rule. I hope that will be one of the first matters the committee will examine.

I think I made it clear in the circumstance with respect to the case of the hon. member for Central Nova (Mr. MacKay), that there would be no interference with his right, or the right of other members, to put questions reflecting on that matter unless and until it was at trial, and perhaps not even then.

With respect to questions put to the ministry in this matter, I have again made it clear there has been no interference with hon. members under the sub judice rule. If I were to attempt to interfere with the right of a member and get into difficulty there, it might be necessary to interpose some discussion and a finalization of that. However, up until the time there is some difficulty with the right of members to put questions, the position is clearly understood. Certainly at the moment that point has not arrived.

Mr. Lawrence: Mr. Speaker, I rise on the same point of order. May I ask Your Honour to direct your mind to one brief question? It relates not only to the sub judice rule but to the question of privilege. When Your Honour is directing your consideration to this matter, would you direct it to one further question, a small one?

As I understand the position of the Chair it is that ministers do not have to reply. However, if they do reply that is the end of the matter as far as the Chair is concerned. May I simply ask this: if a reply comes which is quite patently false to the knowledge of the Chair and the knowledge of hon. members of the House, surely that is a matter of misleading the House and is obviously a question of privilege before the House? Could Your Honour direct your consideration to an answer coming from the ministry which is patently false?

Mr. Speaker: That consideration, of course, also involves a great deal of judgment which would have to be exercised in the circumstances.

● (1520)

[*Translation*]

Mr. Guay (Lévis): Mr. Speaker, on a point of order.

Following the oral question period this afternoon, I wish to point out to the House that more than 40 Liberal members met the directors of the Agricultural Producers' Union yesterday, and it has not been seen fit, after the very amiable discussions that took place—

Mr. Speaker: Order.

Mr. Guay (Lévis): Mr. Speaker, on a question of privilege.

Mr. Speaker: The hon. member for Lévis (Mr. Guay) on a question of privilege.

Mr. Guay (Lévis): Mr. Speaker, I wish to set the facts straight. After this meeting attended by 40 Liberal members and four ministers from the province of Quebec, it has not been seen fit to ask to meet the Prime Minister—

Mr. Speaker: Order, please.

Mr. Fortin: Mr. Speaker, I raise the question of privilege.

Mr. Speaker: The hon. member for Lotbinière (Mr. Fortin) on a question of privilege.

Mr. Fortin: Mr. Speaker, if it is possible to turn a point of order into a question of privilege, I feel also that my rights are encroached upon. The farmers probably knew that the Liberals are stronger in caucus than in the House of Commons, this is perhaps why this morning they took up the matter strongly with the Social Crediters.

Mr. Speaker: Order.

Mr. Rondeau: Mr. Speaker, I would like to point out that the Prime Minister (Mr. Trudeau) took advantage of a slip of the tongue to refrain from answering one of my very serious questions, to wit whether he would be willing to meet a representative of the dairy industry.

Since the farmers have attempted to—

Mr. Speaker: The hon. member for Shefford understands quite well that the Prime Minister has indeed answered that question this afternoon during the oral question period and if he has anything to say on the content of the answer given, it is not through a point of order or a question of privilege.

Mr. Rondeau: Mr. Speaker, I merely want to know whether the Prime Minister will meet the representatives of the dairy industry as readily as he met the Canadian bishops last week?

Mr. Speaker: Order.

Order Paper Questions

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

TIME ALLOCATION MOTION FOR SECOND READING STAGE ON BILL TO AMEND MEDICAL CARE ACT

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I should like to move, seconded by the Minister of Public Works (Mr. Drury):

That, in relation to Bill C-68, an Act to amend the Medical Care Act, five hours shall be allotted to the further consideration of the second reading stage of the Bill; and

That, at the expiry of the fifth such hour, Mr. Speaker shall interrupt any proceeding before the House, if required for the purpose of this Order, and shall forthwith put, without further debate or amendment, every question necessary for the disposal of the second reading stage of the bill.

Some hon. Members: Shame!

Mr. Speaker: Order, please. All hon. members will realize that the provisions of Standing Order 75c require that such a motion can be put only when the minister has announced his intention so to do at a previous sitting, which the President of the Privy Council (Mr. Sharp) did at the sitting of the House last evening. Accordingly, pursuant to the provisions of Standing 75c, when the motion is put today, which can be at this moment or at this hour, a two hour debate is precipitated, leading to a vote on the terms of the motion.

There being only the matter of Questions on the Order Paper remaining in Routine Proceedings may I refer back to the procedure we followed in the last instance, which was that Routine Proceedings were finalized and then the first order of business to be considered was the motion in the name of the President of the Privy Council. Would it be in order to proceed in that fashion at this moment?

Some hon. Members: Agreed.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,540, 3,717, 3,933 3,975, 3,978, 3,991, 4,111, 4,128 and 4,148.

[*Text*]

PEI COMPREHENSIVE DEVELOPMENT PLAN—PHASE 2

Question No. 3,540—**Mr. MacDonald (Egmont):**

With reference to the recent agreement on Phase 2 of the PEI Comprehensive Development Plan, will any aspects of the Community Resources Programme be designed to facilitate or maximize citizen feedback to government and, if so, what specific channels and/or projects will be created to ensure citizen input into discussions preceding Phase 3 of the Plan?

[Mr. Speaker.]

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is: Yes. The question of channels and/or projects for input into discussions about any further phase would only arise when such further action is contemplated.

SURPLUS ASSETS

Question No. 3,717—**Mr. Reynolds:**

1. With reference to the answer to Question No. 2,015 regarding transfers of surplus assets purchased from one department to another, does the Crown Assets Disposal Corporation always receive remuneration?

2. Would the Minister of Supply and Services provide case histories of all authorized transfers in 1974 that were without remuneration for the owner department?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as Crown Assets Disposal Corporation is concerned: 1. No.

2. In accordance with the records of this corporation, the following is a list representing case histories of all authorized transfers in 1974 where the owner department did not receive remuneration:

Date	Department	Items
January 10, 1974	National Defence	Naval Service cap ribbons
January 10, 1974	Environment Canada	26 Displacement Type Launch
January 11, 1974	National Research Council	Four Royal Standard Typewriters
January 31, 1974	Health and Welfare	Addressograph plates
February 4, 1974	National Defence	Anti-G flying suit, fying helmet
February 5, 1974	National Research Council	Six paper tape punches, and three tool kits
February 25, 1974	National Research Council	Air survey camera calibrator
March 6, 1974	Dominion Council of Health	Functions and equipment
April 3, 1974	National Defence	Car 45-86827
April 10, 1974	National Research Council	Kuiper stereo plotter
April 26, 1974	National Research Council	Serial Sound Structure Generator
June 12, 1974	National Research Council	26 surplus electronic components
June 13, 1974	Supply and Services	Bindery equipment
July 22, 1974	National Defence	Signal flags
September 11, 1974	Supply and Services	Regent Paper cutter
September 16, 1974	National Research Council	Fuel Coker Unit
		Turborater
		Digital Stepping Recorder with Coupler
		Wang Loci Desk Top Calculator
		Wang Data Logging Control
September 16, 1974	National Research Council	Tape Transport Recorder
September 16, 1974	National Research Council	4-channel Sanborn Recorder
October 9, 1974	National Defence	Torpedo MK 14 Mod 3
October 15, 1974	National Defence	Base Insulator, Receiving whip Antenna
October 25, 1974	Regional Economic Expansion	Transit, Gauge and Caliper
November 5, 1974	External Affairs	Uniforms for six hostesses
November 29, 1974	Transport Canada	Marconi Company Radio Range Transmitters
November 29, 1974	National Research Council	Stoddard Horn Antenna

FEDERAL TAX ON FARM FUELS

Question No. 3,933—**Mr. Hnatyshyn:**

Is the government giving consideration to deducting the federal tax on farm fuels at the time of purchase?

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): The Excise Tax Act, which imposes the 10 cents a gallon excise tax on gasoline, requires users of gasoline who qualify for relief to recover the tax paid on their purchases by filing refund claims. However, the legislation also provides authority under which the Governor-in-Council may make regulations pertaining to relief from the tax for qualified users. On December 23, 1975, under PC 1975/3017 amendments to the Gasoline Tax Regulations were issued. These amendments provide that from March 1, 1976 users, including farmers, who qualify for relief from the tax and who purchase more than 2,000 gallons per month, may purchase gasoline exempt from the special excise tax rather than going through the refund claim procedure.

FREIGHT CARS—TADANAC YARDS, BRITISH COLUMBIA

Question No. 3,975—**Mr. Brisco:**

1. Was there a runaway of freight cars at Tadanac Yards, Trail, British Columbia on December 19 or 20, 1975 and, if so, how many (a) contained SO_2 (b) had (i) Ajax type brakes (ii) stem wind brakes (vertical mast) (iii) composition brake-shoes (iv) steel brake-shoes?

2. How many (a) CP freight cars (b) CN freight cars are equipped with (i) Ajax brakes (ii) stem wind brakes?

3. How many (a) CP freight cars (b) CN freight cars per year are being converted from stem wind brakes to Ajax brakes?

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): 1. Yes, December 20, 1975; (a) Ten; (b) (i) eight; (ii) ten; (iii) one; (iv) seventeen.

2. There is no consolidated record of railway cars in operation with such equipment.

3. There is no conversion program. The old stem type brakes are being phased out throught retirement.

SPECIFICATIONS IN TENDERS FOR LABORATORY FURNITURE

Question No. 3,978—**Mr. Fleming:**

Do specifications in tenders for laboratory furniture by the Department of Supply and Services often specify the product or material of a particular company instead of offering a list of companies (Canadian, if possible) with products that would meet the same required standards, particularly, if the specified product is produced by one of the expected tendering companies or an affiliate company and, if so, for what reason?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): A recent survey indicated that the purchase description in invitations to tender for laboratory furniture which were obtained from requisitions submitted by customer departments, were almost equally divided between those quoting a trade reference, those quoting a trade reference and indicating that an equivalent was acceptable, and those quoting a customer's detailed specification. It is left for firms to decide which of their products they consider is the equivalent to the trade name quoted and bids are judged accordingly. Often, a trade name is quoted on a no substitute basis because laboratory furniture or equipment required is to complement an existing installation which may have been supplied off a previous competitive tender, to the customer's specification, or as provided by a building contractor. In all instances, except when a trade name item on a no substitute basis is required, all firms on the Department's Office Product Centre's source list or on the applicable Regional Supply Centre's source list are invited to tender on the requirement.

POST OFFICE GUARANTEE FUND

Question No. 3,991—**Mr. MacKay:**

1. For each year since 1965, by province, what were the payouts from the Post Office Guaranty Fund?

2. Is such money used to reimburse persons who have had mail lost by the Post Office Department and, if not, what is the purpose of the Fund?

3. From what part of the Post Office budget is the money taken for the Fund?

4. In each fiscal year, is the Fund allotted a set amount of money and, if not, is the amount limitless?

5. In each year since 1965, under the terms of the Fund, how many cases of (a) inefficiency (b) criminal action have been investigated?

6. In each year since 1965, how many postal employees and/or others have been (a) prosecuted (b) dismissed for inefficiency or criminal action as covered under the terms of the Fund?

7. How much was recovered as a result of such prosecutions or dismissals and was the money added to the Fund?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): 1. See table below.

2. The purpose of the Fund is to pay out losses as stipulated in Section 5, subsection (1), paragraph (1) of the Post Office Act.

3. The fund is not sustained by the Post Office budget nor derived from parliamentary appropriations but consists of assessments against postal employees and mail contractors made prior to 1920, and any interest earned, less the net charges on the fund since its inception.

4. See (3) above.

5. The statutory provisions for the fund and the regulations for its administration do not specify categorization of cases according to inefficiency and criminal action. Nevertheless every loss is thoroughly investigated with a view to obtaining recovery, before recourse is made to the fund.

6. See (5) above.

7. Recoveries of losses in whole or in part previously charged to the fund amounted to $99,036 during the period April 1, 1965 to March 31, 1975. These moneys were credited to the fund at the time of recovery.

Order Paper Questions

Disbursements from Post Office Guarantee Fund, Years 1965-66 to 1974-75

	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	North West Territories	Total
1965-66	$9,953.87	—	$1,292.09	$1,154.22	$ 2,100.66	$ 1,824.58	—	—	—	$ 357.56	—	—	$ 16,682.98
1966-67	3,633.17	—	1,901.35	259.93	9,447.46	3,132.36	$ 467.86	—	$ 414.68	—	$1,795.04	—	21,051,85
1967-68	4,962.08	—	—	1,028.68	2,388.85	4,157.35	235.25	—	—	1,039.68	—	$1,635.67	15,447.56
1968-69	2,346.07	—	—	—	7,123.28	366.30	—	—	—	2,274.74	—	—	12,110.39
1969-70	—	—	—	—	—	—	—	—	—	—	—	—	—
1970-71	2,889.31	—	—	1,869.31	15,614.59	7,646.98	—	227.98	—	6,195.68	—	1,207.41	35,651.26
1971-72	—	—	—	761.43	23,977.04	3,810.09	—	—	—	—	—	—	28,548.56
1972-73	31.81	—	—	—	11,605.02	7,085.36	—	220.08	6.31	163.06	—	78.36	19,190.00
1973-74	25,577.66	—	—	—	69,585.09	6,384.52	1,013.13	—	830.11	73.36	—	3,086.24	106,550.11
1974-75	3,180.05	—	—	—	23,467.41	18,942.29	18,335.76	—	564.63	—	—	—	64,490.14
Totals	$52,574.02	—	$3,193.44	$5,073.57	$165,309.40	$53,349.83	$20,052.00	$448.06	$1,815.73	$10,104.08	$1,795.04	$6,007.68	$319,722.85

CUSTOMS EMPLOYEES AT DOUGLAS-BLAINE BORDER CROSSING

Question No. 4,111—**Mr. Reynolds:**

1. (a) How many persons are employed at the Blaine Border crossing (b) what are the duties of each individual (c) how many are bilingual?

2. In the peak periods of traffic returning from the United States, are there normally only three or four out of a possible seven re-entry gates in operation and, if so, for what reason?

Hon. Jack Cullen (Minister of National Revenue): 1. (a) Sixty-five; (b) one Collector, one Secretary to the Collector, one Operational Superintendent, four Shift Superintendents, eight Shift Supervisors, 32 two Customs Inspectors, Traffic at Douglas, 15 Customs Inspectors, Traffic at Pacific Highway, three Support Clerks; (c) There are five positions designated as bilingual: One officer has been certified bilingual. One is presently on language training. Two are scheduled to take a language test. One is awaiting appointment to language training.

2. There are two Canadian entrance points opposite the Blaine, Washington crossing, Pacific Highway and Douglas, with the bulk of the tourist traffic passing through the Douglas entrance. There are three to four re-entry gates normally in operation at the Douglas office. Five to six are in operation during the summer months when student casuals are available. Both points are staffed on a three shift twenty-four hour basis. With the manpower available, coupled with the shift scheduling requirements under the collective agreement, it is impossible to open all entry gates during peak traffic periods.

GRANTS TO CONSTITUENCY OF CHAMPLAIN FOR WINTER PROJECTS

Question No. 4,128—**Mr. Matte:**

1. Since 1970, has the Department of Finance granted money to the Constituency of Champlain as investment funds for winter projects and, if so, in what amounts?

2. For each such grant, what was (a) its purpose (b) the area concerned (c) the amount (d) the year it was made?

[Mr. McRae.]

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): 1. Loans totalling $571,704 have been approved under the Winter Capital Projects Fund for capital projects in the Constituency of Champlain.

2. The details of these loans are as follows:

Projet	Location	Loan Approved	Approval Date
Construct Recreation Center and Ice Rink	Ville de St-Tite	$199,258	1973
Renovate Pumping Station and Extend Water System	Paroisse de St-Narcisse	58,901	1973
Watermain Construction and Pumping Station	Village de Ste Thècle	53,749	1973
Construct Municipal Park	Village de Ste Thècle	9,796	1973
Construct Social Center	Ville de La Tuque	250,000	1973

SAINT JOHN, NEW BRUNSWICK TRANSIT FARE INCREASES

Question No. 4,148—**Mr. Landers:**

1. Is the Minister of Finance aware that City Transit of Saint John, New Brunswick has recently raised bus fares by 30 per cent?

2. Will the Minister bring this to the attention of the Anti-Inflation Board and request the Board to rule on the admissibility of such an increase under the Anti-Inflation guidelines?

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): It is our understanding that the City Transit of Saint John, New Brunswick is a privately owned company. If this company is part of a group with 500 or more employees, its recent action in raising bus fares would automatically be subject to review by the Anti-Inflation Board. The matter has been drawn to the attention of the Anti-Inflation Board.

[*English*]

Mr. Paproski: I rise on a point of order, Mr. Speaker. I wonder whether we are still on the subject of Questions on the Order Paper. I had a question on the order paper, question No. 3171, which appears at page 10793 of *Hansard*, involving a project at Place du Portage in Hull. The contract totals $28 million for the building of a garage, a simple steel and concrete structure.

I wonder why the minister of Public Works has not answered my question. There are 501 charge orders totalling $4.5 million. This is very serious. As I have said, the

contract is for $28 million. The minister does not tell us whether he authorized any of these expenditures. I would very much appreciate if he would do this. Is this an indication of the type of control the minister has over these projects, or does he really know what is going on and what he is doing over there?

MOTIONS FOR PAPERS

[*English*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 94 is acceptable to the government.

[*Text*]

COPY OF MOST RECENT MAGAZINE, NEWSPAPER OR NEWSLETTER PUBLISHED BY EACH DEPARTMENT, AGENCY OR CROWN CORPORATION

Motion No. 94—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the most recent magazine, newspaper or newsletter published by each department, agency or Crown corporation.

Motion agreed to.

[*English*]

Mr. Blais: Mr. Speaker, notices of motions for the production of papers Nos. 69, 71 and 93 are acceptable to the government subject to the usual reservations concerning confidential documents and to the authorization of the government authorities concerned.

Mr. Speaker: Is it the pleasure of the House that the notices of motions enumerated by the parliamentary secretary in those circumstances shall be deemed to have been adopted.

Some hon. Members: Agreed.

[*Text*]

COPIES OF CORRESPONDENCE RELATING TO CONTINENTAL BOUNDARY DISPUTES

Motion No. 69—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all minutes of meetings, letters and telegrams pertaining to the negotiations which have taken place between the government and the United States on the continental shelf boundary disputes with regard to the Greenland-Canada Boundary in the Davis Strait.

Motion agreed to.

COPIES OF CORRESPONDENCE PERTAINING TO CONTINENTAL SHELF BOUNDARY DISPUTES MAINE AND NOVA SCOTIA

Motion No. 71—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all minutes of meetings, letters and telegrams pertaining to the negotiations which have taken place between the government and the United States on the continental shelf boundary disputes with regard to the Maine-Nova Scotia Boundary.

Motion agreed to.

COPIES OF AUDITED FINANCIAL STATEMENTS OF NORTHERN CANADA POWER COMMISSION

Motion No. 93—**Mr. Firth:**

That an Order of the House do issue for copies of the audited financial statements of the Northern Canada Power Commission for the years 1970-71, 1971-72, 1972-73, 1973-74, 1974-75.

Motion agreed to.

[*English*]

Mr. Blais: I ask, Mr. Speaker, that the other notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Blais: On a point of order, Mr. Speaker. May I simply indicate to the hon. member for Edmonton Centre (Mr. Paproski) that if he has any difficulty in obtaining replies to his questions a simple private word would be of considerable assistance in first of all identifying the question the reply to which has been delayed. This is the first I have heard of a delay in the reply to this particular question.

Mr. Marshall: Mr. Speaker, my notice of motion for the production of papers No. 68 requires a simple yes or no answer. I wonder why it has taken so long, since January 26, to answer No. 68.

ROUTINE PROCEEDINGS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

FILING OF OBJECTION RESPECTING BRITISH COLUMBIA

Mr. Speaker: It is my duty to inform the House that an objection signed by the hon. member for Okanagan Boundary (Mr. Whittaker), the hon. member for Moose Jaw (Mr. Neil), the hon. member for Annapolis Valley (Mr. Nowlan), the hon. member for Fraser Valley West (Mr. Wenman), the hon. member for New Westminster (Mr. Leggatt), the hon. member for Vancouver Quadra (Mr. Clarke), the hon. member for Kootenay West (Mr. Brisco), the hon. member for Edmonton East (Mr. Skoreyko), the hon. member for Okanagan-Kootenay (Mr. Johnston), and the hon. member for Winnipeg South Centre (Mr. McKenzie), has been filed with me, pursuant to section 20 of the Electoral Boundaries Readjustment Act, chapter E-2, R.S.C., 1970, to the Report of the Electoral Boundaries Commission for the Province of British Columbia.

In accordance with the previous practice already adopted by the House, I would assume that we will print the text

of the objection as an appendix to this day's *Votes and Proceedings*. Is that agreed?

Some hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

TIME ALLOCATION MOTION FOR SECOND READING STAGE ON BILL TO AMEND MEDICAL CARE ACT

Mr. Speaker: The motion in the name of the President of the Privy Council (Mr. Sharp) having been put forward, may I ask whether it is the pleasure of the House to adopt the said motion?

Some hon. Members: Never!

● (1530)

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I move this motion with some reluctance.

Some hon. Members: Oh, oh!

Mr. Sharp: It had been my hope that the House would have been ready before now to refer this bill to the standing committee where there would be plenty of opportunity for hon. members to ask questions, to propose their amendments, and to listen to the amendments that might be proposed by the government. However, I did seek agreement among the House leaders under Standing Order 75A or 75B under which there could have been an agreed allocation of time but, as I said last night, I failed.

It will be clear to the House—although it did not seem to be clear to the CBC this morning—that this motion does not put closure on the bill.

Some hon. Members: Oh, oh!

Mr. Sharp: It simply provides an additional five hours for discussion on second reading.

Some hon. Members: Oh, oh!

Mr. Sharp: This bill—I am sure it is well known but I seem to have to impress this upon the House—will still be considered in committee, it may be considered at the report stage, and it will certainly be considered on third reading. All we have done is to bring to a conclusion the debate on second reading, and this is simply a motion to refer the bill to committee.

So that the government is not accused of having throttled debate, let me put on the record the length of the debate on second reading and the extent of the participation by hon. members so far. I say "so far" because there will be another five hours of debate, of which I have no doubt hon. members will wish to take advantage, and we will have an even longer list, this altogether apart from the discussions that will take place in the committee, on the report stage and at third reading.

This bill was introduced on July 8, 1975. Debate on the motion for second reading and reference to the standing committee took place during 11 days for a total of 30 hours.

[Mr. Speaker.]

I would now like to indicate the number of hon. members who have participated.

There have been altogether 63 speeches and there have been 56 members who have participated in the debate, 8 from this side of the House, including the minister and the parliamentary secretary, 32 from the official opposition, 13 from the NDP, and 3 from the Social Credit party. Of the above, 1 Liberal, the parliamentary secretary, spoke twice, once on the main motion and once on the amendment proposed by the NDP, 2 Conservative members spoke twice, and 4 members of the NDP spoke twice.

In justification—which I think I hardly need in the light of this account of the length of the debate and the number of hon. members who have participated in it—I would just like to say that there are a number of other important bills before the House and I trust there is agreement in the House that, in order to deal with them, there is need for reasonable restraint on the length of the debate on any one of them, and certainly on any particular stage.

The government had hoped for agreement by members of all parties. I failed to get it, and we had to take our responsibility. I am sure the public and this House ought to applaud.

Some hon. Members: Hear, hear!

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I listened with some amusement to the government House leader a few moments ago saying that he approached with reluctance this whole question of closure in introducing this motion at this stage. I hope he will forgive me if I suggest to him that his approach bore all the semblance of the reluctance of a vulture approaching a fallen deer.

I want to say to the minister very clearly that when the hon. member for Halifax (Mr. Stanfield) described this bill as a treacherous act by a treacherous government—I think I quote him pretty accurately—the minister by this motion has merely added to that treachery by attempting to cut off this very important debate at a time when this House is considering a piece of legislation which not only affects the relationship between the provinces and the federal government in Canada—every member of the House knows this—but also affects something that is very basic to Canadians, that is that the burden of what the government intends to do by this bill will fall very heavily on those parts of the country which are less able to afford sophisticated medical care, and the minister knows this.

It was an act of treachery to deal with it unilaterally and without consultation in the course of the budget speech, as the government chose to do. It was another act of treachery in bringing in this bill to change arrangements unilaterally for provinces which in some cases were persuaded, bludgeoned or cajoled by the government to enter into the agreement built their health care delivery services on the basis of it.

Mr. Blais: There is no treachery there.

Mr. Baker (Grenville-Carleton): I am not surprised at the hon. member for Nipissing (Mr. Blais). I believe he would not recognize an act of treachery if he stumbled on one.

It was a triple act of treachery, and this is a black day for this parliament and for this country. It seems to have become the rule of the government to cut off debate on a matter of some importance, one which has been before the House since July 8, 1975, and which could have been brought forward by the government House leader, if it is so important, suddenly after only 11 days of debate—

Mr. Sharp: And 63 speeches.

Mr. Baker (Grenville-Carleton): —involving only 63 members out of 264. If that is deemed to be over debating an important principle, and if that is the position which the government holds, then I think it has lost all sense of reason and direction, not only in terms of the operation of this House but in terms of the feelings of the country.

There is a good reason why there has been a prolonged debate on the bill. It is because there has been large scale and widespread doubt among the public about the utility of this bill. All the provinces have criticized both the substance of the bill and the manner in which the legislation was introduced. At one point one of the provinces, Ontario, threatened to withdraw from the cost-sharing program. The so called have not provinces fear that their own budgetary exigencies will not allow them to take on new services or even to maintain old services. The Canadian Medical Association reacted to it by saying flatly and without equivocation that the actions of the government could endanger the quality of medical services available to Canadians.

Is there any reason to suggest that it is improper in the parliamentary sense for merely a few speakers to come forward and debate this bill? Has the government forgotten that this parliament is not its servant, that the government is the servant of the parliament and of the public we represent? I believe its attitude throughout this debate, in bringing forward the bill in the first place and then having the temerity to move closure, is an indication that it has decided that, unlike the session of 1972 to 1974 it will go back to ramroding legislation through the House regardless of its importance. This bill reflects that style and attitude and so does this motion for closure.

There is no way that the official opposition or any other party in opposition, faced with the objections of the provinces, faced with the objections of the Canadian Medical Association, and faced with the objections of people who are concerned about the level of medicare and the areas where a curtailment would hurt, would not use one of the weapons that it has at its disposal, namely, the right to debate the bill, to point out its inequities, to point out its deficiencies, and to point out the treachery of the government that brought it forward.

● (1540)

It has become pretty self-evident that this bill is dangerous to the level of medicare in this country, and this motion is dangerous to the operation of this parliament. If this is to be the way the government is to proceed on important matters, suggesting it is improper to debate them at length, then the attitude of the government is wrong. The government might remember that not too long ago a similar government with similar attitudes foundered on the basis of an arrogance which this motion for closure indicates.

The government House leader talks about other House business. Of course there is other House business. I said long before I became the House leader of this party—and I echoed the sentiments of the former leader—that the opposition would not stand in the way and would, in fact, help the government with legislation which is reasonable and sound in principle. However, I want this parliament and the government to know that this opposition does not intend to stand idly by and be beaten away from the right to debate because the government has decided it wants to get a piece of legislation through, if we decide, honestly and fairly, that the principle of that legislation is wrong.

We made the decision a long time ago that this piece of legislation is wrong in principle, is a breach of a contract, and is a vehicle by which medical care will be diminished in terms of Canadians, where there will be an emphasis directed toward regional disparity, and an assault on our confederation. We hold those views today and resist this motion for closure because this motion indicates that the government just does not care. It wants to arrogate more and more power to itself, irresponsibly in a majority situation.

That is the position we take in this matter, and if the government House leader is suggesting to us that we can debate the matter on third reading he is quite right because, unless there are to be substantial amendments, which would be more than merely procedural amendments but which would go to the heart and substance of the bill to put back into the law of this country, or to allow to remain in the law of this country the medical care scheme which the government proposed and which was accepted in good faith by all the provinces, then the government can expect our position to be no different on third reading than it is on second reading.

This bill will be just as irresponsible, unchanged, on third reading as it is on second reading, and the government is just as irresponsible, in terms of the provisions of this closure motion, as it could possibly be. I for one cannot understand what moved the government to this stupidity in the circumstances of this debate.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we are totally and unalterably opposed to the motion made this afternoon by the President of the Privy Council (Mr. Sharp). He has moved this motion under Standing Order 75C, and I want to say again, as I have been saying ever since this rule was forced upon us in July, 1969, that it is a bad rule. Some of my friends are reminding me, as if I need to be reminded, that it was brought in by the use of the other closure rule, Standing Order 33. The entire opposition was opposed to it. There was a special committee on rule changes and we agreed to quite a few things, but the government was not satisfied. It wanted this one more weapon which it could use unilaterally to choke off debate in the House of Commons. It was a bad day or a bad night in July, 1969, when Rule 75C was passed, and I regard the act of the minister today in applying Rule 75C to Bill C-68 as infamous.

I do not know whether the ministers opposite want to listen to us over here or not. If those two want to joke, they should go behind the curtain.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): The minister tried to say that this is not closure because it permits another five hours of debate. In other words he is saying he is going to use the guillotine and it will come down on our necks, but not right away, but after five more hours of debate.

The old closure rule, Standing Order 33, which Sir Robert Borden brought in back in 1913 and which the Liberals called everything under the sun but have since used a number of times, provided that on its application debate could go on until one o'clock at night. In other words, under Standing Order 33 more debate on the measure before the House would be guaranteed than the minister is allowing under 75C. If it is closure—and that is what it is called in the book—to end debate at one o'clock the next morning, I suggest that it is closure to tell us that after five more hours of debate the proceedings on second reading of Bill C-68 must end.

The minister also indulged in statistics—and they can always be used on either side of an argument—about the number of speeches which have been made in this debate and about the number who have spoken a second time. The implication in that, of course, is that we have had enough speeches. I say to the minister that I think we have had more speeches already than we should have had, but the purpose of speaking from this side of the House on Bill C-68 has been to try to persuade the government to withdraw the bill.

It is a bad bill. It was well put by my friend David Croll in the other place—he has been quoted often and does not mind it—when he said it is wrong, wrong, wrong. What we in the opposition have been trying to do in the course of this debate is not just to talk for the fun of it, day in and day out, but to persuade the government that the measure itself is a mistake, it is wrong, and that it should be withdrawn.

Mr. Sharp: That is only a minority view.

Mr. Blais: A small minority view.

Mr. Railton: That is just a pronouncement; it is not an argument.

Mr. Knowles (Winnipeg North Centre): It happens to be a pronouncement which is true, and I say to the hon. member who has recently joined the Liberal party in this House of Commons that what the government is now doing in Bill C-68 is reversing fifty years of the history of the Liberal Party. It was way back in 1919 when the Liberal party of this country first committed itself to old age pensions, unemployment insurance, and health insurance. It took an awfully long while to get these things. Old age pensions came along in 1926 or 1927, unemployment insurance in 1940 or 1941, but we did not get hospitalization until the middle fifties and medical care until the sixties. It took an awful lot of work and an awful lot of prodding, but as long as we had Mackenzie King, Louis St. Laurent or Lester Pearson as prime ministers, there seemed to be a desire, even though moving slowly, to move in the direction of providing these things.

[Mr. Knowles (Winnipeg North Centre).]

An hon. Member: But they did it.

Mr. Knowles (Winnipeg North Centre): The hon. member says they did it. Yes, they did, and they did it in the belief that it would be good for Canadian unity to have a standard of medical care which would be the same right across the country. For that reason a formula was worked out and a commitment made to the provinces which, in practical terms, means that the federal government pays 50 per cent of the cost of hospitalization and 50 per cent of the cost of medicare. I know in medicare the formula is 25 per cent in one respect and 25 per cent in another, but that is a detail that I will not elaborate on at this point, for it adds up to 50 per cent, more or less.

● (1550)

Up to this point an effort has been made to achieve some uniformity by having medical care equally available across this country. But this bill makes provision in the next few years and down the road even more so, for the government to pay less than 50 per cent of the cost of medical care. It is planning the same thing for hospitalization. It is freezing funds for medical research. The result is going to be that in a few years medical care will not be equal across this country because the provinces will get from the federal government not 50 per cent but 45 per cent, 40 per cent, or 35 per cent. The provinces that can afford medical care programs will have them and those that cannot will have to cut services or put on extra taxes or deterrent fees.

I say to my friends over there who boast of what the Liberals did over a 50 year period—and they should not boast because it took that length of time—what the government under the present Prime Minister (Mr. Trudeau) is doing is to reverse the Liberal trend that was developed under Mackenzie King, under Louis St. Laurent, and, under Lester Pearson. I say therefore that we who are opposing the action of the government are in effect trying to save the soul, if it has one, of the Liberal party on this issue.

I point out also, Mr. Speaker, and perhaps this is my greater concern rather than the soul of the Liberal party, that I am concerned for what this is doing to Canada. When we get medical care and hospitalization on a basis where the wealthier provinces have it and the poorer provinces have less in terms of service or more to pay, this will do great damage to Canadian unity. That is why I regard this as an infamous act on the part of the President of the Privy Council (Mr. Sharp), who has bungled a few other things in this parliament as well, to be asking us now to close off debate on Bill C-68.

The Acting Speaker (Mr. Turner): The hon. member for Mississauga (Mr. Abbott) on a point of order.

Mr. Abbott: Mr. Speaker, I wonder if the hon. member would permit a question.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I have only ten minutes, but as long as the House will permit I will accept a question.

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his ten minutes have expired. Will the House allow the hon. member for Mississauga to ask a question?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): With the unanimous consent of the House the hon. member for Mississauga may put a question to the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Broadbent: Make it a good one.

Mr. Abbott: Mr. Speaker, it may not be a good one but, as a relative newcomer, I want to ask the hon. member, as one who has been in the House as long as he has, is he saying it is an infamous act, after a debate has taken place in which exhaustive interventions have been made by almost every interested member of the opposition, that the government should never be permitted to bring the issue to a vote? Does he think the government should let those interventions go on and on in order to exhaust the government? Does he deny the right of the government to bring this matter to a vote ultimately?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, under the rules the government has the right to do it, and the President of the Privy Council (Mr. Sharp) said today that the government is taking its political responsibility in this matter. I say to the hon. member for Mississauga and I say to the government that there are times in human history when minorities are right. I think the minority in this House is right in saying that Bill C-68 ought to be withdrawn.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): That is why we are opposing this motion under Standing Order 75C.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, it is rather reluctantly that I take part in this debate, since the President of the Privy Council (Mr. Sharp) is now putting this House in a bind by having recourse to Standing Order 75A, 75B and 75C which had been passed by the House or rather imposed on the House by another motion of closure in July 1969.

Today the government uses this procedure to impose a bill which Canadians do not want, not any more than the provinces, and on which it has not been able to obtain unanimous consent of the House. Here is the real situation: the government is doing it alone with Bill C-68, by imposing by force its financial participation in a very important program, by limiting it now at 50 per cent and at less in future years. Thus the government imposes its law, it withdraws from a program it had forced upon the country, and it is taking this decision by imposing its will upon the House of Commons and using the muzzle, the guillotine.

For the moment, neither the government nor any government member can tell whether at least one province has given its full support to the passing of Bill C-68. In fact, discussions have not even begun. No province has given its agreement. The federal government does not care anyway. They are the federal government. They go over the provinces, and we see now that they will go over Parliament, and that after five hours of discussion, three quarters of which will be taken up in procedural debates, this legislation will have to be passed by this Parliament. Why? Because the government rely on their parliamentary majority, but they cannot pretend that they represent the majority of Canadians. That is not true, Mr. Speaker.

In that way, democracy is altered. The Liberals represent only 47 per cent of the electorate, and thus the majority of the population is on the opposition side. Whether the electoral system makes them the majority party is a different matter. That is why we find ourselves today passed the point of no return, that is we are simply facing closure. Let the provinces fend for themselves! It is up to them now to find the money required to finance the difference in the medical care cost, no matter whether or not it is the federal government which put them into this mess.

When the government introduced the anti-inflation legislation, it ordered a freeze on one item, among others, in order to put money aside because, it said, we had to save money. Well, what did it freeze? Family allowances. To save $200 million, the biggest budget cut was made at the expense of children. Now they are going to cut the social affairs budget again. What is rather surprising is that the government keeps changing its position on social security and this unilaterally. It strictly imposes its rule.

● (1600)

Mr. Speaker, that kind of attitude is non-parliamentary and non-democratic. Once the guillotine has fallen, that's it, we are soon going to vote this afternoon, and with the majority, the force of numbers, Bill C-68 will certainly be adopted. We will see the usual scenario being played. We will hear government members burst into applause. But the day those same members and ministers are on the opposition side, they will be the first to use the same language we are using today.

Mr. Speaker, almost everything is allowed in this House except when it comes to preventing a member from talking on behalf of his fellow citizens. Standing Orders 75(A), (B) and (C) are infamous since they deprive members of the House from the right to express their opinion. Mr. Speaker, I do not want to take very much time talking about this since several other members will certainly want to state their views. The Liberals are arrogant. They impose their legislation on us. And when something is not to their liking, they resort to heckling, shouting and applause to impose their legislation.

A few years ago, they tried to make us believe that medicare was extraordinary—I know this since I was in the gallery at that time as secretary to the leader of the Social Credit Party. I recall that time very clearly. Today the government is using closure simply to withdraw unilaterally its participation in the financing of the health insurance scheme. In the next election, these same Liberals will use fine sounding words to proclaim that because of them Canada has the best and the greatest social security system in the world.

Mr. Speaker, this is nonsense. The attitude taken by the President of Privy Council in imposing his social security legislation, the attitude taken by Prime Minister Trudeau

last weekend in Quebec City concerning a provincial premier, all this amounts to the same thing. It shows that this government thinks that it is infallible. Liberals have been in power more than 47 years out of 56. This shows their arrogance, and it is time for democracy to really come through in Canada. Mr. Speaker, the way the government imposes its will is revolting.

Mr. Guay (Lévis): Mr. Speaker, I rise on a question of privilege.

Mr. Fortin: The hon. member for Lévis is protesting because of the way I am talking. Mr. Speaker, with all due respect, I would point out to him that I have the right to say what I want in this House during the time alloted to me under the rules laid down by his party. I imagine that one day the same member for Lévis will be in the opposition. I hope so for his sake. It will do him good, Mr. Speaker. He will fall back on his feet in democracy and stop thinking he is someone else because he is on the government side. At that time he will probably talk in the same way as I am doing, and he will be given the chance to either sit in the opposition or stay at home. I urge him to try and understand the Canadian parliamentary system and stop flouting the right of members to express openly the opinion of their voters.

Mr. Speaker, the use of the closure in an area as crucial as social security in a field of jurisdiction where there is so much money involved as medicare shows how little social security matters to this government. To them, they are only words uttered in a strictly electoral purpose. Mr. Speaker, unless it changes its attitude the days of this government are certainly numbered.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of National Health and Welfare): The hon. member for Lotbinière said at least one thing on which I agree. He pointed out that if the opposition were in the place of the government it would do precisely the same thing the government is doing now, that is opposing—

Mr. Fortin: Mr. Speaker, I rise on a question of privilege. Mr. Speaker, I am really quite surprised by what my hon. friend who misinterpreted my words just said. I suggested that if the Liberals were in the oppostion, they would probably say the same thing. But I am not surprised the hon. member should, intentionally twist my words to use them. When arrogance reaches the point where closure is imposed, one can resort to just about anything.

Mr. Guay (Lévis): I wonder if the words of the hon. member for Lotbinière (Mr. Fortin) were not misinterpreted, Mr. Speaker. First of all, I thank him for having proclaimed my election in 1978 by telling me that, either in the opposition or in power, I shall then sit in this House. I thank him very much.

I am told now that there is talk of closure. We have had a debate, Mr. Speaker, on this bill, for eleven days now. Is that democracy, is that reaching decisions or is it filibustering? If that is what the hon. member for Lotbinière is suggesting to the Canadian people, then I wish he would go and say it outside the House.

[Mr. Fortin.]

[*English*]

Mr. Knowles (Winnipeg North Centre): Withdraw the bill.

The Acting Speaker (Mr. Turner): Order, please. That is not a point of order, that is a point of debate.

Mr. Kaplan: I apologize to the hon. member if I misunderstood his remarks. I did not intend to misinterpret, and I apologize if I did.

It is important to make the point, as the President of the Privy Council (Mr. Sharp) did, that this is not to be the end of debate on this bill. The bill has a long way to go. We are only on second reading. It must go to committee, where, as the minister said, amendments will be moved. The bill will be reported back to the House, and there will be further opportunities at the report stage as well as at third reading for discussion. Any who say that limiting debate at this stage will be the end of the bill and that the government is arrogantly going its own way are totally misrepresenting the facts.

On second reading we deal with the principles of the bill. Surely the opposition cannot dispute that it has made known its views on the principles of the bill. Thirty Conservative members spoke once, and two spoke twice on the principle of the bill. Of the NDP, nine members spoke once and four spoke twice on the principle of the bill. Without doubt, the country has been given the opportunity to know the views of the opposition on the principle of the bill, and the government has had full opportunity to understand the opposition's view on that principle. I ask, when will debate end? When will the government be allowed to exercise its responsibilities?

I am, as you know, parliamentary secretary and have had the pleasure of listening to the entire debate. From time to time I have tried to discover if and when the debate is to come to a natural end. I have checked with members of the Conservative party, and met with virtually the same response every time, "There are 15 more speakers." Well, there were 15 more speakers on the first day of debate, 15 more on the ninth day, and 15 more on the last day we debated this bill. I asked NDP members when they thought debate on this bill would come to a natural end. I learned that the NDP does not want debate on the bill to come to a natural end. It does not want debate to end. It wants the bill to be withdrawn.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Kaplan: NDP members are entitled to their opinion but are they entitled to prolong debate forever and prevent a vote on the bill?

An hon. Member: Sometimes the opposition is right, you know.

Mr. Kaplan: If hon. members opposite think that is their right, they misunderstand the role of the opposition in this Chamber. Their attitude makes it impossible to deal with this legislation. How can one pass legislation if it is not allowed to come to a vote? The NDP are entitled to want the bill withdrawn, and entitled to so argue. But there are rights on the other side. Surely they have no right to prevent a vote on this bill, they cannot prolong debate so

long that parliament will be obliged, in following its natural sense of priorities, to turn to other pieces of legislation. Surely this is not the purpose of parliamentary debate.

Conservative party spokemen complained they had not enought time to debate the bill on second reading. They do not suggest what is enough time. How much time do you need to show how you feel about the principle of the bill? When the government learns there is an indefinitely long line of members waiting, ready to speak on the bill and fill the time of the House, it is entitled to draw its own conclusions.

I remind the hon. member for Winnipeg North Centre (Mr. Knowles) that when the government recently resorted to Standing Order 75C, two members of his party spoke in support of the use of it. The hon. member for Greenwood (Mr. Brewin) said on December 2 of last year—I am paraphrasing—that the opposition should be given a fair chance, but it is necessary for the government to govern. He said he would do the same if he were in the government's shoes. The hon. member for Waterloo-Cambridge (Mr. Saltsman) said much the same. In other words, both hon. members agreed that Standing Order 75C is a legitimate device which the government may use at a certain point.

After the opposition has made its points and expressed its objections, one hopes it will allow the House to proceed with its business. We must change from being a debating society to being a legislative body and do what must be done with legislation. Having inquired with hon. members opposite, it appears to me that they do not intend to let this debate come to a natural end.

Infamy has been alleged; treachery has been alleged. It has been said that parliament is the servant of the government and not the servant of the people of Canada. Certainly, parliament should not be the servant of the government. But should it be the servant of the opposition? Shall members of the opposition determine when parliamentary debate shall end, when a principle shall be considered as established and when bills shall be proceeded with? The President of the Privy Council indicated that there is much other business on the order paper. He is right. And there is a lot of other business which should be on the order paper.

● (1610)

We should dispose of this legislation, we should pass it through our normal procedures and move on to deal with other important matters which affect the people of Canada. Parliament is the servant of the people and I would urge members of the opposition not to prolong this debate to the full two hours permitted, or to the additional five hours. Let us get the bill in committee and then proceed to other business in this Chamber.

Some hon. Members: Hear, hear!

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I take part in this debate as one who did not speak during the discussion on the second reading of the bill. I may say I take strong issue with the President of the Privy Council (Mr. Sharp), and with the parliamentary secretary who has just spoken. My position is certainly far removed from theirs.

It seems to me the government demonstrated a desire to downgrade parliament as an institution and to downgrade the right of each of us here to speak on behalf of our constituents. This is one of the issues which brought me into politics. When the government decided to bring forward this motion under Standing Order 75C it seemed to me it was not only missing the spirit of the rule but abusing it to a serious degree. Clearly the President of the Privy Council has the right, within the rules, to bring forward such a motion if no agreement can be reached with respect to the progress of legislation. In a technical sense he has acted in accordance with that Standing Order. But I submit that he, and the members who support him, miss the whole point of that rule.

The concept of closure was indeed established here by Sir Robert Borden, but hon. members should bear in mind that this was during the first world war at a time when an external threat was facing our country. Closure was not envisaged merely for the purpose of facilitating government business, as seems to be the case now. It was not used merely because the government was dissatisfied with the speed at which a particular piece of legislation was progressing. We have a duty and an obligation to speak on measures such as Bill C-68 when we feel it is in the interests of our constituents to do so.

The President of the Privy Council talks about 63 speeches having been made. Well, 63 speeches out of 264 is still a low percentage. What is going to happen when we have 400 members as a result of the redistribution proposals? I suppose the whole question of the rights and privileges of members will have to be redefined at that point, but I do not think it is incumbent upon the government to invoke closure under a provision of this sort whenever it feels a bill is not moving as quickly as it would like.

I have to agree with the parliamentary secretary to some extent. I found the attitude of the New Democratic Party toward this issue to be disappointing. I thought the NDP did a disservice by making it clear that it was their intention to filibuster the bill, appearing in the Chamber with large filibuster books, and so on. This, naturally, would egg on the government and play into its hands. I do not think the NDP did any good by showing such a flippant attitude toward the legislation, by having those books displayed in the House of Commons indicating they intended to participate in a filibuster.

The motion put before us by the President of the Privy Council is becoming an increasingly common procedure. It is becoming a mark of Liberal administration. I recall my first involvement in politics when I was a university student; it was brought about by the arrogance of the government in imposing closure at the time of the pipe line debate. I have just finished reading a book written by a former member for Bonavista-Twillingate, Mr. Pickersgill, in which he indicated that when he and his cabinet colleagues moved closure at the time of the pipe line debate in 1956 they worried and fretted for a long time because they did not want the Liberal party to be identified with the imposition of closure.

What do we find today? The only reason the minister gives us for his action is that the bill is not progressing as quickly as the government would like. If the government is

dissatisfied with the progress of legislation the way to deal with that situation is to come forward with constructive suggestions with respect to amending the present procedure, not to abridge the rights of individual members to express their points of view freely.

Some time ago before I came to this House the Prime Minister (Mr. Trudeau) referred to members of parliament as nobodies when they were 50 yards away from Parliament Hill. That was some time ago, so perhaps he has changed his mind since. But my concern is that he should be treating us as nobodies when we are, in fact, on Parliament Hill. The government has demonstrated its arrogance, as has been pointed out by the press on a number of occasions recently. The government should be careful about pressing its luck this afternoon. Supported by its majority, it has forgotten the lessons learned while it was a minority government. It has forgotten the motion of dealing reasonably with the opposition. We have not yet concluded the longest session in the history of our country.

There has been no Speech from the Throne for a period longer than ever before in history. This demonstrates that the government is incompetent when it comes to running the business of the House. I attribute it to the fact that the government cares nothing about the House of Commons; its flippancy and arrogance with respect to all these matters and, some people say, even with respect to approaching the judiciary, have been without parallel since Confederation. Mr. Pickersgill claimed that as a Liberal he was concerned about the use of closure. I can only say that a lot of real Liberals would be whirling in their graves today if they knew the attitude the government was taking toward the curtailment of the rights of members.

The reason the government is taking this step is clear. It wants to ram this bill through so that when the provincial ministers of health get together in Ottawa they can be told exactly what the federal government proposes to do as far as the allocation of funds is concerned. This summarizes the whole approach of the government toward the provinces. In other words, the attitude of the government is one of confrontation as opposed to discussion and negotiation. The government is to be not only chastised for this attitude; every member of the House should give very serious consideration to permitting this kind of procedure to be introduced with a lack of thought for a most important piece of legislation and without giving every member of the House an opportunity to speak on the legislation. Even backbenchers should have that opportunity. They should be able to express the point of view of their constituents—

● (1620)

The Acting Speaker (Mr. Turner): Order. I am sorry to interrupt the hon. member but his time has expired.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, when the President of the Privy Council (Mr. Sharp) introduced this guillotine motion he said he did so with reluctance. And well he might. Not only should he have a feeling of reluctance; he ought to be ashamed at introducing a motion relating to a matter on which only about one quarter of the members of this House have spoken and which has far-reaching consequences for the people of Canada.

[Mr. Hnatyshyn.]

What we ought to ask ourselves is why this closure motion is being introduced. It is being introduced to enable the Minister of National Health and Welfare (Mr. Lalonde) to sit down and negotiate with the provincial ministers of health with a loaded gun on the table. As a matter of fact, there will be two loaded guns. The first gun will be the termination notice that the government issued last June with respect to its contributions to hospital insurance. The second loaded gun will be Bill C-68, which is to limit the contribution that the federal government will make to national medicare.

The government is anxious to get this bill through second reading so that when the provincial ministers of health meet with the federal representatives this legislation will have passed at least through second reading and the minister will be able to say to his provincial conterparts, "Parliament has approved our position; you can either take it or leave it".

I think it is important, Mr. Speaker, to look at the sequence of events which have taken place and the moves which the Minister of National Health and Welfare has made to avoid meeting the provincial ministers of health until he has this legislation through second reading. Let me remind the House that in May of 1973 the federal government proposed to the provincial governments that the federal government's contribution to medicare should be tied to the gross national product. We have only to look at what happened to the gross national product last year to realize what would happen if the provinces accepted that proposal. But in September of 1974 the provinces unanimously rejected the proposal. They not only rejected the proposal, they made an alternative proposal. They said, "We can help save money both for the federal and the provincial governments by having lower cost services, and we are prepared to sit down and discuss that".

At the last federal-provincial health ministers' conference in January, 1975, the Minister of National Health and Welfare agreed with the provincial representatives that this was the best way to go about cutting down costs both with regard to hospital insurance and medicare. As the minister admitted in the House on January 28 of this year, it was agreed that officials of both the federal government and the provincial governments were authorized to get together to begin working out programs by which lower cost services would be introduced, thereby eliminating many of the high cost services. That was a good arrangement, one that was entered into in good faith by both the provinces and the federal government.

On June 23 last the federal government pulled the rug from under these arrangements by announcing in the budget of the minister of finance, first that it would give a termination notice with regard to hospital insurance, and second, that it would introduce the measures contained in Bill C-68 to put a cap on the federal government's contribution to medicare.

The provinces were aghast. They felt they had been cheated and betrayed and they discontinued discussions. They felt there was no value in holding discussions in view of the two decisions that the federal government announced in the minister of finance's budget. I do not wonder that the provinces are outraged.

Mr. Railton: What do they want today?

Mr. Douglas (Nanaimo-Cowichan-The Islands): I will tell the hon. member what they want today. They have asked the Minister of National Health and Welfare to hold a federal-provincial conference of health ministers. The minister promised that the conference would be held in October. He put it off until December, then he put it off until January of 1976, and the conference has not been held yet. Why is the Minister of National Health and Welfare afraid to meet his provincial counterparts? I have no doubt why—they would accuse him of bad faith, of breaking the commitment he made in January, 1975. He does not want to go to them unless he has a bill that has been approved in principle by parliament, which would give him authority to say, "This is what we are going to do; you can either like it or lump it".

The minister is asking the House to allow him to ram this legislation through so that he can go to the provinces with a *fait accompli* and say, "This is what you are going to do and you will have to do it". I say that this is contrary to all the principles that the government has so eloquently espoused on co-operative federalism. This is arrant arrogance and nothing less. That arrogance was further expressed today by the President of the Privy Council in bringing in a closure motion so as to permit only another five hours of discussion on second reading of Bill C-68.

When the President of the Privy Council and his parliamentary secretary get up in this House and say, "Ah, but you will have plenty of opportunity to discuss this matter in the standing committee, on report stage and on third reading", we have no assurance, Mr. Speaker, that a closure motion will not be used again in the course of the passage of this bill through the House. The government is using its muscle to ram legislation through the House without giving the provincial governments the opportunity at a federal-provincial conference of health ministers to express their opinions or explore other means—and there are other means—by which the cost of both medicare and hospital insurance can be reduced. Rather than meet the provinces, this group of people who have grown so mighty that they do not need to sit down and talk to the provinces now want parliament to give them the authority to force the provinces to do what the federal government wants them to do.

A Greek playwright—I think it was Sophocles—said some 2,300 years ago: "Whom the Gods would destroy they first make mad". This government is mad with power. The government's arrogance has gone beyond anything I have ever seen in any government over the last three or four decades.

● (1630)

The provincial governments, which are unanimous in opposing this legislation, and the people of Canada once they understand the implications of it, will be roused as they have not been roused for a long time. The government may win this vote today by invoking closure, but it will not convince the people of Canada that the action which it is taking is either fair or equitable. The Canadian people know perfectly well that all the federal government is seeking to do is to transfer the financial cost of providing health service in this country over to the provincial governments so that it can evade its just responsibility.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, contrary to what the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) has done, I will try to speak to the motion before the House. The speech made by the hon. member is admirable, one that he should repeat during the five hours that will be allocated after this motion has been accepted by the House. I note he is not on the list of the 13 speakers who have spoken on behalf of the socialist party. Undoubtedly he will have an opportunity to deal with this particular—

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I rise on a point of order. The hon. member better get his facts straight. If the rest of his speech is going to be as inaccurate as his opening statement, it will be a very bad speech. If he will look up the list of speakers he will find that I did speak in this debate on second reading. I was ready to speak again on the amendment motion had the government not introduced this closure motion.

Mr. Blais: I note, Mr. Speaker, from glancing at the list that the hon. member was the third speaker on behalf of the New Democratic Party. I stand corrected. It was probably one of the better speeches because, as the debate progressed, the quality of the speeches decreased. That is understandable when the indicated aim of the NDP is not to present arguments that will persuade any member to change his view, but to try to persuade the executive to withdraw a particular piece of legislation.

I will now turn my attention to the remarks of the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn). I would have expected that, as a young member who is very interested in matters of procedure in this House, he would have taken a more reasonable and tempered attitude vis-à-vis what the government is attempting to do in this instance. Contrary to what the hon. member for Nanaimo-Cowichan-The Islands failed to do, the hon. member should have recognized that what the government is doing in this instance is trying to give effect to the changes in the rules passed in 1969. They, in effect, attempted to shift the attention of the House from second reading, which is approval in principle, to the committee stage by the creation of committees with wider powers, and then to the report stage, which is the report stage from the committees, including amendments, and then to third reading.

That has basically been accepted by the House leader and the hon. member for Peace River (Mr. Baldwin). They both indicated in papers presented to the Standing Committee on Procedure and Organization that they felt, as did the hon. member for Winnipeg North Centre (Mr. Knowles), that there was a great waste of time in the House and that there ought to be a better allocation and administration of time so that legislation would be dealt with expeditiously.

I draw Your Honour's attention and that of the House to statements made in committee by the President of the Privy Council (Mr. Sharp). I quote from page 30 of issue 9 of the committee proceedings:

Since it is the government's program, the government must take the responsibility for taking steps to put it through parliament. At the same time, the Commons must be in a position to resist arbitrary actions and to attempt to mobilize public opinion.

These two principles are well accepted. As a parliamentarian of more recent vintage than the hon. member for Winnipeg North Centre and the hon. member for Nanaimo-Cowichan-The Islands, I hope they will guide this House in the future when both hon. members will not be with us.

In Canada, the principal battle on a bill has usually been fought at the second reading stage. This makes little sense since the second reading stage is really merely a motion to refer a bill to a committee.

Yesterday when dealing with a point of order on Bill C-83 the hon. member for Winnipeg North Centre confirmed that view. He indicated that there are two portions to the second reading stage, second reading being the first, and referral to a committee the second. He attached quite a bit of importance to the latter part, namely, referral to a committee for study.

The quotation continues:

A delay at second reading not only creates log jams down the system, but it results in undue pressure on committees, when they get difficult bills, to proceed in a more hasty and more partisan manner, thereby detracting from the serious work of hearing representations and making amendments.

Here again this is crucial to the procedures of this House. The committee is set up with a limited number of members and is ready to deal with a specific subject matter. They are usually more informed with reference to the particular subject matter. I refer here to the Standing Committee on Health, Welfare and Social Affairs. The committee will deal with this bill and receive representations from interested parties who wish to attend before the committee to testify in the hope of persuading the members of the committee to present a report different from what has been submitted to it for consideration.

I continue to quote:

The committee stage becomes a rather repetitive and boring (and unobserved) prelude for an equally repetitive and boring report stage, when the House is often asked to spend much time re-confirming the partisan positions taken in committee. Ironically, by the time the third reading stage is reached, i.e. the stage at which the House is asked the essential question, "Shall the bill pass?", opposition to a bill has usually worn itself out and, if there is any debate at this stage, it is a dreary dénouement. While the political effects of this system can be impressive, it usually does little to improve the bill and nothing to assist the over-all legislative program. The system to be sought should be aimed at preserving the political potentials but, at the same time, increasing the likelihood of improving the legislation.

That is fundamental to this debate. The facts are not in dispute. This bill has been before the House for 11 different sittings. There have been 30 hours of debate on second reading.

The Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Kaplan) indicated that after five additional hours of debate this bill will proceed to a committee. Every member of this House is permitted to attend the committee and to present amendments. Those amendments will be deliberated and voted upon. If they are unable to get the committee to accept the amendments, prior to the matter coming before this House at report stage, they can move any amendment that is in order.

[Mr. Blais.]

Mr. Knowles (Winnipeg North Centre): That is in order.

Mr. Blais: Yes, that deals with the subject matter of the bill, including a motion to repeal or do away with a clause or to reject a whole clause within a particular bill.

● (1640)

We had the same experience when dealing with Bill C-68. Members on the government benches introduced at the report stage major amendments that were debated at length if not ad nauseam. After this particular matter is dealt with at that stage we will then proceed to third reading. This is not closure. This is simply an allocation of time on an elementary portion of the debate, second reading.

We have heard from the opposition, time and time again, expressions and mouthings of good intention relating to changes in the rules of this House. If the attitude manifested by speakers at this time is any indication of the success we will meet in effecting these major rule changes I am indeed very disappointed. The effect of what was said by the President of the Privy Council is not disputed by anyone. I am a parliamentarian and have a good deal of respect for this place, but I am also interested in having here a quality of debate which is worthy of the institution. Filibusters are not conducive to a high quality of debate despite the preachings we get from opposition members. We hear rantings, ravings, repetition, and remarks of absolutely no worth or weight.

Mr. McCleave: What about your raving?

Mr. Blais: Mr. Speaker, I heard the co-chairman of the Committee on Statutory Instruments, who was a deputy speaker of this House. He is well aware of the feelings in respect of the rules of procedure. I would expect him to agree with the view I expressed.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the parliamentary secretary but his time has expired.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I was interested in the comments of the hon. member for Winnipeg North Centre (Mr. Knowles) when he stated that even at the time of the introduction of closure in the Borden years during the First World War more time was allowed for debate than there will be at this time. I think this is significant.

This is a very important piece of legislation. We really are starting all over again the medical care and hospital care debate. I suggest one of the great weaknesses of the government is that it has not brought forward a throne speech to indicate how it will react in respect of the financial, economic, and social life of the country. This is the longest period in which we have been without a throne speech. We have no indication concerning the direction in which we are headed. I think it is high time there was some direction.

The internal deficit of something in the order of $6 billion is throwing some of the cost of programs on to the provinces. In addition there is an external deficit of something in the order of $6 billion. This and the rise in the

value of the dollar make the situation more difficult in respect of our exports and easier in respect of imports.

There can be only difficulty ahead. The government does not make known its intentions in respect of dealing with these serious problems. I do not think it is possible to debate this particular piece of legislation intelligently without knowing what the government has in mind and how it intends to face the over-all situation. The talk at this time about repatriation of the constitution is so much rhetoric. It is like saying we should paint the lifeboat while the main boat is sinking.

In this bill the government really has neglected the interests of the provinces. It has given no indication of an attempt to reach agreement with the provinces. The reduction in the amount of money available will mean a reduction in the services the provinces can provide. The government has not indicated that it has even attempted to reach an agreement with the provinces. The action has been unilateral. It has been indicated by other members that the government intends to go to these provincial conferences with a *fait accompli*, saying that the provinces will be cut back unilaterally.

This is one of the most anti-provincial pieces of legislation we have seen. The BNA act gave the provinces jurisdiction in respect of health, welfare, and education. I feel that, on the whole, this was a wise move even if 100 years later we have a different social order. What was not clear at that time was that the federal government would usurp most of the tax structure to its own advantage. In effect the provinces have been left with large social problems and debts in respect of the provision of health, welfare, and education, without the corresponding tax structure with which to take care of them.

There have been a series of agreements whereby the wealthier provinces, through the tax structure, have given to the less wealthy provinces grants from taxes collected through the federal treasury. This has reduced some of the strain on Confederation. In my opinion the usurpation of health, welfare, and partially education, has created the greatest strain we have had on Confederation. I think the federal government of ten years ago decided the provinces were not to be trusted to look after their citizens to the best of their ability, and therefore they were not to be trusted to evolve medical care plans, health care plans or hospital plans that would be suitable.

The government forced on the provinces the most expensive type of hospital and medical care plans, on a 50-50 basis, whereby a province which would not take advantage of every health service found that its citizens were contributing to the general tax structure in Ottawa but were not receiving from it. The shared-cost program lead to over-expansion and over-utilization.

The government has given no hint concerning what it thinks the health care situation should be and how the provinces can carry the burden of health care. Is it willing to give up tax points and, if so, how many? Is it willing to make uncommitted grants which the provinces may use as they see fit? I agree that the cost of health care, medical care, and particularly hospital care, is severe. It is a problem that must be faced by this country. But there is no point in merely trying to attempt to slough off the burden on to the provinces which already are over-burdened and which do not have the tax structure with which to continue.

We shall have to make some decisions. The government must accept guilt for the burden of programs that are beyond the ability of the tax structure to bear. This bill should not pass until the government has given some indication of the situation this country is in and the serious financial burdens that are ahead of us.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have listened to the filibuster in respect to Bill C-68 with increasing puzzlement. We have heard statements of how the government is about to do dreadful things to sick people.

What has been proposed in fact is that, instead of having the present open-ended situation in respect of health costs, some reasonable figure should be set. The escalation being discussed is 14½ per cent the first year, 11 per cent or 12 per cent the second year, and 10 per cent thereafter. These really are not ungenerous figures. They are figures which run ahead of inflation. They are in line with the whole thrust of medical practice at the present time which is very much in the direction of looking at preventive medicine and the low cost alternatives which often are alternatives that best suit the sick person, such as care in the home with additional nursing care, rather than the use of expensive teaching hospital resources which are sometimes inappropriate and unnecessary.

● (1650)

We find that the Canadian Medical Association is quite ready to join the government in looking at constructive alternatives. The president of CMA appeared before the Standing Committee on Health, Welfare and Social Affairs and indicated a willingness to try to find ways of reducing costs while not reducing the quality of care.

Opposition members have also been saying that they want to see more efficiency in government sponsored programs and a reduction in government spending. That being so, it is a puzzle to me why they are not prepared to allow this bill to go to committee where amendments can be made and where, if the bill is as imperfect as they say, it can be improved.

With regard to the motion under Standing Order 75C, we have heard very harsh words about the government imposing legislation under the provisions of that Standing Order. What has in fact happened? The request is that the bill be sent to committee for a careful clause by clause examination, which surely must be an improvement on the broad generalities which we have heard from the opposition in the debate up to now. If the bill is imperfect, then surely what the opposition should want is to send it to committee where it can be improved by amendment. There will be opportunities for amending it again at the report stage or on third reading.

We have also heard much said this afternoon about respect for parliament, but how can the public respect parliament if parliament continues to be as inefficient as this in doing its business? Some of the opposition members who have been here for 20 years may not realize how the system appears to those of us who have come here more recently and who have really been surprised at the repeti-

tive nature of many of the speeches and at the reading-in of quotations from newspapers in speeches made at the second reading stage.

I should like to echo the words uttered by my colleague earlier on when he said that some opposition members would like to use this House as a debating society rather than as a legislative body. During some of the other filibusters to which I have listened in the 18 months that I have been here I noticed that precisely the same speech is often made at the second reading stage, at the report stage, and at the third reading stage, not to mention in committees.

In contrast to all this are the very constructive and thoughtful suggestions that have been made in the Standing Committee on Procedure and Organization by opposition members, many of whom seem to have taken the position that it would be a great saving to have the major debate on bills at third reading. Many members from both sides of the House have suggested that the second reading should be preliminary, with committee and report stage investigative and orderly, and the major debate coming at the third reading stage after hon. members have had the opportunity to study the intent of the bill carefully and to give it a clause by clause examination.

Some members of the opposition have said today that the government side is confrontational in its attitude. I do not think that any party has a monopoly on confrontation, but I think it is a matter of great urgency that there be more co-operation on all sides of the House and that we stop these absurd filibusters and get on with the business of the nation.

Some hon. Members: Hear, hear!

Miss Nicholson: I recognize the right of the opposition parties to make known their points of view clearly, but not to delay and indulge in repetitive and lengthy speeches which are quite devoid of constructive suggestions. Sending work to committees is one of the methods that was devised to deal with parliament's ever increasing work load. May I suggest that it would be in our interest to send this bill to committee and for those members who wish to improve it to move amendments there.

Some hon. Members: Hear, hear!

Mr. Bob Brisco (Kootenay West): Cease your applause, you fellows, you are cutting down on my time.

I was very interested in the remarks of the hon. member for Trinity (Miss Nicholson). It is nice to have the contribution of a lady's comments in the House, even though she views the situation through rose coloured glasses. When she speaks about preventive medical care as something which we see every day in medical practice, the fact is that so far as looking after all the ills of humanity is concerned preventive medical care in the context referred to by the hon. member for Trinity is years down the line. She also referred to the presence of the CMA president before the Standing Committee on Health, Welfare and Social Affairs, but she failed to mention that it was not in the context of Bill C-68. That bill was not before the committee then, and that will be the time for the hon. member to make that statement. It certainly does not apply right now.

[Miss Nicholson.]

Let us get on with the problem of Bill C-68 and why we are talking about it today.

Miss Nicholson: I rise on a point of order, Mr. Speaker. Would the hon. member accept a question?

Mr. Brisco: I will accept a question but only after I have finished my comments in ten minutes.

Mr. Deputy Speaker: May I remind the hon. member that if he speaks for ten minutes he will need unanimous consent to reply to the question.

Mr. Brisco: I will take that chance, Mr. Speaker.

An hon. Member: Chicken.

Mr. Brisco: It is patently obvious that on the subject of closure the skulk of foxes on the other side have turned into a flurry of rabbits. Last night the Minister of National Health and Welfare (Mr. Lalonde) informed the Standing Committee on Health, Welfare and Social Affairs that on March 16 and 17 a contingent of provincial deputy ministers will arrive in Ottawa. And certainly they do not want to be greeted by the fact that Bill C-68 is still before the House at second reading in April, on the 27th and 28th, when a contingent of provincial ministers of health arrive in Ottawa. It would be the hope of the government that it could by then have forced this bill through committee and through third reading. That is why we are going through this exercise.

● (1700)

The government House leader today complained bitterly about the filibustering of this bill. He said it has been before the House since July 6. I remind the minister that Bill C-58 was before the House from April 5 until very recently. There was no attempt at that time to filibuster; he failed to mention that.

Mr. Sharp: I used 75c on that bill too.

Mr. Brisco: The comparisons are just not the same. Let us consider the terms of Bill C-58 and Bill C-68. Which is of the most national importance, the health of Canadians or whether we read *Time* and *Reader's Digest*?

Some hon. Members: Hear, hear!

Mr. Brisco: What it really amounts to is a question of priorities and the old game of confrontation. The hon. member for Trinity referred to confrontation. Let me assure the hon. member that there is only one party in this House which can engage in the game of confrontation, and that is the government party. We cannot engage in it. We engage in valuable debate, and if hon. members would care to read some of the intelligent remarks made by hon. members on this side they would understand why we have addressed our concerns so sincerely and in such a dedicated fashion time and time again with reference to this bill. They just do not get the message. It is the old game of Liberal arrogance and confrontation.

We saw the same thing when the former minister of finance introduced federal mining legislation taxing all mines and raw resource industries. That was the old game

of confrontation with the provinces, and this is the same thing. It is historical. It is endemic, and a disease which I think is bred into the party sitting on the other side.

What is the stance of the provinces? It is very interesting that in not one address given by hon. members on the government side which I have read have they made reference to the fact that there is not one provincial government in this nation which has approved of this bill. Surely there must be some province, perhaps a little one like Prince Edward Island, or a big, wealthy one like Alberta, which feels that it can stand the gaff, but that is not the point. The point is, who will this type of program affect? It will affect the poor. And who are the poor? They are the sick. I have said before in this House in debate on this same bill that the sick get sicker, the poor get poorer, and the pensioner gets it in the neck because he is often the one who is both poor and sick.

What options has the government offered? I noted with interest last night in the Standing Committee on Health, Welfare and Social Affairs that the minister made a remark with regard to guaranteed annual income, that carrot he has been dangling before the Canadian public for many years. In making reference to that I can only ask, when he feels the Canadian people and the government can afford it and when it does come in, how long will it be before there is a deduction for medical costs or a deduction because of pensions, old age, veterans or whatever?

Why can the government not introduce legislation concerning the health of Canadians which it knows will be valid, stop messing around with the health of Canadians, and stick to its guns? Why get into a program of a guaranteed annual income if the government cannot afford it? If only there were some hon. members on the other side of the House who would just take the time in caucus to ask the minister why this is going on and why the Conservatives, members of the NDP, and the Creditistes are speaking so vehemently and sincerely about this bill. Are hon. members opposite afraid of a little self-examination?

I congratulate those hon. members on the government side who have contributed in debate. It at least indicates that they have done some measure of homework, but frankly I think that the majority of hon. members opposite just do not care. They do not understand the thrust or effect of the bill. They do not recognize the fact there is not a province in Canada which approves of the bill. They do not accept the fact that there is not a medical association, be it federal or provincial, which accepts the bill. They do not understand that there is not a paramedical organization in Canada which approves or endorses this bill. They do not understand these things because they have not bothered to pay attention. Well, so be it.

The hon. member for Winnipeg North Centre (Mr. Knowles) has said in committee and in the House—and how true it is—that you do not mess around with the health care of Canadians without the chickens coming home to roost. Hon. members opposite cannot say they have not been warned, and it will be the ultimate delight for me to see those chickens come home to roost when the Prime Minister (Mr. Trudeau) faces the people in the next federal election.

Now I am prepared to answer the question of the hon. member for Trinity.

Miss Nicholson: Mr. Speaker, the hon. member is quite correct when he points out that this bill has not gone to committee. That is the point of today's exercise, I trust.

However, is the hon. member aware that the provisions of Bill C-68 were foreshadowed in the June, 1975, budget when guidelines were laid down, and that acceptance of those guidelines was indicated by the president of the Canadian Medical Association when he appeared before the standing committee, I believe in October, 1975?

Mr. Brisco: Mr. Speaker, I think I can confirm in part what the hon. member has said, having served on the Standing Committee on Health, Welfare and Social Affairs since I came into this House in July of 1974. I and all hon. members of this House are well aware that that allusion was made by the then minister of finance, now Mr. Turner, but the simple fact remains that if the hon. member for Trinity would care to read the documentation and the material available from the Canadian Medical Association at this time, its posture has indeed changed, and I can well understand why.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, in line with my usual philosophy, since I understand there are probably at least two other hon. members who wish to speak before the debate closes at 5:35, I will try to shorten my remarks, make my points as quickly as possible, make points which I do not think have been adequately explored here this afternoon, and leave aside the temptation to go down the trails which have been trodden so many times before, although through very exceptional speeches. I have no quarrel with any one of them, though I have some quarrels with some of the ideas which have been expressed in them.

First I should like to make the point—and it really is the role of an opposition in a very major debate and one which does not come along very often in any session of parliament—and to ask the question, how far is an opposition allowed to go to express its displeasure with a measure which is proposed by the government? Perhaps it becomes a little more complicated when one is dealing with a person such as the Minister of National Health and Welfare (Mr. Lalonde). I have decided to make my argument on a generality, however, and not allow myself to get sidetracked by the personal preferences and disposition or way of doing things that certain of the ministry have followed; so I shall take it as a general issue and not mention the Minister of National Health and Welfare in the next ten minutes.

● (1710)

The measure we are debating amounts to one-sided divorce, Mr. Speaker, that is, it is a decision by one of the partners to a federal-provincial partnership in the field of health care to change its role, to change the amount of money it is willing to put into the partnership. It has done this, as far as I can see, without the blessing of any one of the provincial governments, or the two territories. If someone cannot get up in this place and make an argument about that sort of arbitrary procedure, we are not worthy of being considered a parliament at all.

I think the point that has been missed by those who say that once a government proposes a measure and it has been

debated for a few days the measure then has inevitably to come to a vote, is that we have to reach beyond the press gallery—I see two of them here this afternoon, which is double the advantage we usually enjoy at this hour—and go to the people of Canada to whip up public opinion on whether the measure is a good thing or a poor thing.

In this respect I suggest to the press, to the President of the Privy Council (Mr. Sharp), and to the parliamentary secretary that the government has failed. There has been no compelling rush of public opinion on this matter saying that the measure should pass because it has been thought up by a wise and omnipotent government. As far as I can see the government does not have a friend across the land on this issue and until it can show me some—I do not speak about friends on the other side of the House because obviously it is full of friends—then I think we can argue this case until the end of this year or any year. I think it is that important. Ministers have not made a case. They have taken an arbitrary position and decided to impose it on provincial governments and territorial governments, scream as they will. I think that is wrong, Mr. Speaker.

I would immediately remove that side of the argument from any abstract of the will of the majority prevailing. If the will of the majority were to make itself known to the people of Canada, the people would say, "Let us call a general election and get rid of these people who obstruct the will of the majority."

I say this as a corollary to what I have said so far: must opposition always be considered to reflect the minority view? Is there not a point that my colleagues, myself and some people on the other side, should stand up to show that we somehow do happen to reflect the will of the majority of Canadians? I think we did it with regard to *Reader's Digest* in some ways. Somehow an accommodation on that particular issue was found within the government. Why can it not find it on this particular issue?

I spent most of my early life in politics fighting over the issue that I thought nobody should ever be sold down the drain because of illness within the family. I always thought that medicare and hospital plans were two of the brightest adornments of this particular parliament. If it will please anybody, one of them was the work of a Conservative prime minister and the other the work of a Liberal prime minister.

Mr. Benjamin: After Tommy Douglas.

Mr. McCleave: Yes, indeed. May I pay my respects to the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas)? I thank the hon. member for Regina-Lake Centre (Mr. Benjamin) for his intervention; he is quite right. It was the work of a good number of well meaning people, some of whom did not have a role in government but at least had a role in the public conscience. I am saying the public conscience is very much at stake in the argument we are getting into now.

I promised I would try to divide my time with other people, Mr. Speaker. I should like to answer the hon. member for Trinity (Miss Nicholson) about cures being made in committee. But let us face it, that is not always practicable or possible under the scheme of things. With our very aggressive whips such as the hon. member for St. Boniface (Mr. Guay) I am sure a cure in committee would be as likely as reduced taxes before the end of the current parliament.

[Mr. McCleave.]

I have other thoughts but the time runs short, Mr. Speaker, so I will sum up what I have attempted to say. There is a public conscience on this thing that is not reflected in the very arbitrary action that is proposed here this afternoon.

Mr. Deputy Speaker: Order, please. Although it is not written into our Standing Orders, I am looking at the clock and see there are 13 minutes left before the taking of the vote on this matter. I would be ready to recognize the hon. member for Regina-Lake Centre (Mr. Benjamin). I saw two hon. members interested in speaking, and now I see three. I hope they might consider allowing other members a little time so that they can share whatever time is available.

Mr. Les Benjamin (Regina-Lake Centre): Thank you, Mr. Speaker. I shall try to take only half the time remaining so that hon. members to my right may have an opportunity to speak.

I want to say that even with a majority government there still is and there has been in the past the odd occasion, the rare occasion, when a government should decide not to proceed with a measure it has been attempting to get through parliament, not just because opposition parties are united in opposition to the measure but because it is so apparent that not only every province but the great majority of Canadians are opposed to the legislation.

This is one of those rare occasions of unanimity among all provinces and unanimity among all opposition parties—which by the way represent a majority of the voters in Canada. Given that unanimity, given what has been said by medical authorities, members of hospital associations and those associated with health care, surely this is one of those rare occasions when the government should not proceed with a measure which it originally thought was worth while. Surely it is now obvious to the government that this should not be proceeded with.

In a democratic system majority also means responsible government. I submit that the attempt by the government to bring in rule 75c, the attempt to proceed with this legislation, is the height of irresponsibility. The government keeps claiming it is second to none in fighting for national unity, in standing for Confederation, in consulting for co-operative federalism with the provinces, etc. But here we see a betrayal of the principles of Confederation and co-operative federalism. What do the Liberals say now about national unity and Confederation?

● (1720)

Surely in these times when the government says it must practise so-called restraint to fight inflation we should not attack the health services of this country. They are basic to the well-being of our citizens. They should be the last to feel the effects of restraint. We should spend more on them, not less. Not only should the government spend more on the program; it should embark with the provinces on other shared-cost programs for pharmacare, dental care, preventive medicine, home nursing care, and so on. A host of measures is yet to be enacted, measures which countries much poorer than ours have already adopted.

The government wants to chisel. It wishes to cheat the people of this country of their right to available, accessible health services. It wishes to bring down the guillotine, to limit debate on second reading of this measure. That makes the chiselling worse.

Sometimes the opposition is right, Mr. Speaker. Sometimes even my friends opposite will concede that the opposition is right. In this instance all three opposition parties are unanimous in opposing this bill. Provincial governments of all political stripes are unanimous in condemning the government. Surely that is signal enough. Surely the government House leader and government members are aware of representations of provincial governments, including Liberal provincial governments, to the effect that this bill should not be proceeded with. Surely it is patently obvious that this is a rare occasion on which a majority government should be courageous enough to withdraw a measure.

I readily admit that it takes courage to proceed with an unpopular measure. It also takes courage not to proceed with a measure, and it is patently obvious that the government should not proceed with this measure. The government's invoking of Standing Order 75c makes its refusal to withdraw all the more horrendous. At least let it have the decency to allow debate to proceed normally. But no, it will not listen. It ignores the wishes of all opposition parties and all provinces of Canada. I hope the House will defeat this attempt to impose closure.

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, in the few minutes available I shall expound a little ancient history. I am disappointed because I have been unable to speak in the debate, and am disappointed because I will not be able to speak in the remaining five hours allotted, if the motion passes. Not only am I disappointed; I resent it deeply. This afternoon I shall say concisely what I hoped to say at greater length in the normal debate. I resent being gagged and not being able to make known my views.

Mr. Abbott: Where have you been?

Mr. Lawrence: I have been in the House, attempting to get on the whip's list. Because of the widespread interest in the legislation many wanted to speak and I was unable to get on his list. I understand that. I say, for the benefit of the hon. member for Mississauga (Mr. Abbott), that I am still unable to get on the whip's list; it is too long.

Some feel that the federal level of the government is the senior level of government. Yes, I know some look down their noses at other levels of government. But let me tell you, Sir, that in many ways junior levels are more realistic and responsive simply because they are closer to the people.

I want to remind the House of the attitude taken more than ten years ago by two great Canadians on medicare. I am referring to Hon. Leslie Frost and Hon. John Robarts, and I wish, in the short time available, to tell the House what they thought.

Mr. Guay (St. Boniface): Mr. Speaker, I rise on a point of order. I assure the hon. member—what's his riding—

Mr. Knowles (Winnipeg North Centre): Northumberland-Durham.

Mr. Guay (St. Boniface): I assure the hon. member for Northumberland-Durham (Mr. Lawrence) that he will have an opportunity to speak on the bill. I will put him on my list. He can speak in the allotted five hours.

Mr. Lawrence: Mr. Speaker, because the government is to gag us I shall be unable to say in full what I wanted to say in a normal debate. As I said, between ten and 15 years ago the leaders of the political parties in Ontario foretold exactly what is happening today. I well remember John Robarts saying to the people of Ontario, "You will regret the day you let the federal camel into the provincial medicare tent."

Some 15 years ago 85 per cent of the people of Ontario were covered by a privately financed medicare system.

Mr. Benjamin: Which was a mess.

Mr. Lawrence: At the same time everyone on welfare who could pass the means test was eligible for medicare paid for by the province.

An hon. Member: Mr. Speaker, on a point of order—

Mr. Deputy Speaker: Order, please. Perhaps, as time is limited, the hon. member should be allowed to continue.

Mr. Lawrence: Mr. Speaker, plans were afoot in Ontario to make certain that 100 per cent of the population was covered by an efficient medicare plan, a plan which would not involve the waste, abuse, administrative machinery and extravagance resulting from the federal government's blackmail and coercion of the provinces. The government forced on the people of this country a plan not needed, required or wanted. Nevertheless provincial governments, aided and abetted by provincial NDP and Liberal parties, had to give in to the blackmail at that time.

Now the chickens have come home to roost. The government foisted on the people of this country a blundering, bungling medicare system. The government now sees the error of its ways and is trying to pull the rug from under provincial governments. That attempt, and its attempt to impose the guillotine, are despicable.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, the behaviour of the government in this matter calls in question the morality of government. The government placed before the House legislation which it knew was not acceptable. It then complained when the House debated at some length—

Some hon. Members: Oh, oh!

● (1730)

Mr. McCain: You don't like what I am saying, so you just don't want to hear any more.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order!

Mr. Lawrence: Privilege! A question of privilege, Mr. Speaker—

Mr. Deputy Speaker: I will hear the hon. member's question of privilege after the vote has been taken.

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Deputy Speaker: Order. It being 5:31 p.m., the two hours provided for consideration of the motion now before the House pursuant to Standing Order 75C have now expired. Therefore, pursuant to that Standing Order I must interrupt the proceedings and put every question necessary for the disposal of that motion.

[*English*]

The question is on the motion in the name of the President of the Privy Council (Mr. Sharp).

All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Sharp) which was agreed to on the following division:

● (1740)

(*Division No. 116*)

YEAS

Messrs.

Abbott
Allmand
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Chrétien
Clermont
Comtois
Condon
Corriveau
Cyr
Danson
Daudlin
De Bané
Demers
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)

Drury
Duclos
Dupont
Duquet
Ethier
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Goyer
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Haidasz
Harquail
Herbert
Holt (Mrs.)
Isabelle
Joyal
Lachance
Lajoie
Lalonde
Lang
Langlois
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Lessard

Loiselle
(Saint-Henri)
Lumley
MacEachen
MacFarlane
MacGuigan
Maine
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Martin
McIsaac
McRae
Munro
(Hamilton East)
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Pearsall
Penner
Pinard
Poulin
Railton
Raines
Reid
Roberts
Robinson
Rooney
Roy
(Timmins)
Roy
(Laval)
Sharp
Smith
(Saint-Jean)

[Mr. Lawrence.]

Messrs.

Stanbury
Stollery
Tessier

Trudeau
Trudel
Turner

Whelan
Yanakis
Young—105.

NAYS

Messrs.

Alkenbrack
Andre
(Calgary Centre)
Baker
(Grenville-Carleton)
Bawden
Benjamin
Brisco
Broadbent
Caouette
(Villeneuve)
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Crouse
Darling
Dick
Dionne
(Kamouraska)
Douglas
(Nanaimo-Cowichan-
The Islands)
Ellis
Fairweather
Forrestall
Fortin
Gauthier
(Roberval)
Gilbert

Hamilton
(Qu'Appelle-Moose
Mountain)
Hamilton
(Swift Current-
Maple Creek)
Hargrave
Hees
Hnatyshyn
Hogan
Holmes
Jarvis
Johnston
Jones
Kempling
Knowles
(Winnipeg
North Centre)
Knowles
(Norfolk-Haldimand)
Korchinski
La Salle
Lawrence
Leggatt
MacDonald (Miss)
(Kingston and the
Islands)
MacKay
MacLean
Malone
Marshall

Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Muir
Neil
Orlikow
Paproski
Reynolds
Ritchie
Rondeau
Saltsman
Schellenberger
Scott
Smith
(Churchill)
Stanfield
Stewart
(Marquette)
Symes
Towers
Wenman
Whittaker
Wise
Woolliams—72.

● (1750)

During the taking of the vote:

Mr. Speaker: Before calling those opposed to the motion, may I indicate that, in my view, Mr. Demers was identified as Mr. Caron.

After the taking of the vote:

Mr. Speaker: I therefore declare the motion carried.

Motion (Mr. Sharp) agreed to.

ROUTINE PROCEEDINGS

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

FILING OF OBJECTION RESPECTING PROVINCE OF QUEBEC

Mr. Speaker: Order. It is my duty to inform the House that an objection signed by the hon. members for Villeneuve (Mr. Caouette), Roberval (Mr. Gauthier), Shefford (Mr. Rondeau), Kamouraska (Mr. Dionne), Champlain (Mr. Matte), Lotbinière (Mr. Fortin), Témiscamingue (Mr. Caouette), Cape Breton-East Richmond (Mr. Hogan), Brome-Missisquoi (Mr. Grafftey) and Moncton (Mr. Jones) has been filed with me, pursuant to Section 20 of the Electoral Boundaries Readjustment Act.

[*English*]

FILING OF OBJECTION RESPECTING PROVINCE OF BRITISH COLUMBIA

Mr. Speaker: May I also inform the House that an objection signed by the hon. members for New Westminster (Mr. Leggatt), Winnipeg North Centre (Mr. Knowles), Sault Ste. Marie (Mr. Symes), Broadview (Mr. Gilbert), Nanaimo-Cowichan-The Islands (Mr. Douglas), Regina-Lake Centre (Mr. Benjamin), Cape Breton-East Richmond (Mr. Hogan), Winnipeg North (Mr. Orlikow), Oshawa-Whitby (Mr. Broadbent) and Halton-Wentworth (Mr. Kempling) has been filed with me pursuant to Section 20 of the Electoral Boundaries Readjustment Act, chapter E-2, R.S.C., 1970, to the report of the Electoral Boundaries Commission for the province of British Columbia.

If the House agrees, I would suggest we follow past practice and print the texts of the objections as appendices to this day's *Votes and Proceedings*. Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: It being six o'clock, this House stands adjourned until tomorrow at 2 p.m.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 11, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

HOUSING

REQUEST FOR FEDERAL-PROVINCIAL HOUSING CONFERENCE—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to move a motion of urgent and pressing necessity under the provisions of Standing Order 43. My motion is prompted by figures contained in the consumer price index released today which show a further increase in the price of housing in Canada making for an over-all yearly increase of 11.5 per cent, the highest yearly increase in the history of this country since records have been kept of housing statistics. I would therefore move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That the Minister of State for Urban Affairs immediately convene a federal provincial housing conference.

Mr. Speaker: Order, please. The presentation of this motion pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

* * *

AUDITOR GENERAL

PROPOSED IMPLEMENTATION OF RECOMMENDATIONS OF INDEPENDENT REVIEW COMMITTEE—MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I also have a motion under Standing Order 43. The urgent and pressing necessity is based on the dramatic increase in government spending coupled with the continual refusal by the government to be accountable for and explain this escalation, as well as the failure of the President of the Treasury Board (Mr. Chrétien) to introduce legislation based on a report of the Independent Review Committee on the Office of the Auditor General. I would therefore move, seconded by the hon. member for Vancouver Quadra (Mr. Clarke), if unanimous consent is given:

That this House calls on the government to immediately introduce a bill to deal with the recommendations of the Independent Review Committee on the Office of the Auditor General as called for in the report of the committee given to the government approximately one year ago and thereby ease concern of Canadians as to the new levels of government spending and extravagance and give some credibility to the currently discredited restraint program.

Mr. Speaker: Pursuant to Standing Order 43 such a motion can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

* * *

ANTI-INFLATION BOARD

SUGGESTED INVESTIGATION OF OPERATION OF COMPENSATION BRANCH—MOTION UNDER S.O. 43

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, pursuant to the provisions of Standing Order 43 I ask the unanimous consent of the House to deal with a matter of urgent and pressing necessity.

In view of the fact that it has been over four months since the 600 Sudbury district elementary teachers reached an agreement with their employers and submitted it to the compensation branch of the Anti-Inflation Board, and in view of the fact that in speaking with a senior staff member of the compensation branch he expressed complete frustration with the board for not defining the roles of the employees in that branch of the AIB resulting in foul-ups and delays in approving agreements such as this one, and in view of the fact that the employee was very emphatic when he said—and I quote him—

Mr. Speaker: Order. I do not like to interrupt the hon. member but I feel he is transferring to the side of debate as opposed to the motion. Would the hon. member put the motion?

Mr. Rodriguez: I therefore move, seconded by the hon. member for New Westminster (Mr. Leggatt):

● (1410)

That this House instruct the Minister of Finance to investigate the manner in which the compensation branch of the AIB is presently operating, with a view to clarifying the confusion which exists and to ensure that all agreements are expeditiously handled.

Mr. Speaker: Under the terms of Standing Order 43 unanimous consent is required before the motion can be put. Is there such consent?

Some hon. Members: No.

Administration of Justice

[*Translation*]

ADMINISTRATION OF JUSTICE

REQUEST FOR INQUIRY ON ALLEGED INTERVENTION OF MINISTERS WITH QUEBEC JUDGES—MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to move a motion concerning an important question.

Taking into account the revelations made by special attorney Richard Holden concerning the intervention by the Minister of Consumer and Corporate Affairs (Mr. Ouellet) in judicial proceedings, and the inexcusable leaks which happened at Mr. Holden's office to the profit of the media, particularly the *Globe and Mail*, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House order the federal government to request a special inquiry by an independent group on the whole question of intervention by members of the cabinet with different judges in Quebec.

Mr. Speaker: Order, please. The House has heard the motion of the hon. member. Pursuant to the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore, the motion cannot be put.

[*English*]

REQUEST FOR PUBLIC INVESTIGATION OF ALLEGATIONS THAT MINISTERS INTERFERED WITH JUDICIARY—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Since the Prime Minister has declined to give the House and the country any assurances that the conduct of his ministers vis-à-vis the judiciary will be subjected to the scrutiny of a public inquiry, and since his predecessor, the late Lester B. Pearson, at the time of the Dorion inquiry, clearly outlined by letter to his ministers that there must be no attitudes of mind or standards of conduct which could effect the full confidence of the people in the proper conduct of public affairs, I move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That this House reject the Prime Minister's unilateral imposition of his own personal standards of what is right and proper in terms of his ministers' behaviour, and calls upon him to make public all of the evidence upon which he has come to such a conclusion and to institute a full public inquiry.

Mr. Speaker: Under the provisions of Standing Order 43 unanimous consent is required. Is there unanimous consent?

Some hon. Members: No.

[Mr. Speaker.]

SUGGESTED REFERENCE TO BAR ASSOCIATIONS OF APPROACHES TO JUDGES BY MINISTERS WHO ARE LAWYERS—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I, too, rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of allegations against certain cabinet ministers who are also lawyers that they have intervened with members of the judiciary with respect to matters before the court, and in view of the statement in the code of professional conduct of the Canadian Bar Association that a lawyer must not "endeavour or allow anyone else to endeavour, directly or indirectly, to influence the decision or action of a tribunal or any of its officials in any case or matter, whether by bribery, personal approach or any means other than open persuasion as an advocate", and in view of the fact that there have been admissions of personal approaches to members of the judiciary by certain cabinet ministers who are also lawyers, I move, seconded by the hon. member for Northumberland-Durham (Mr. Lawrence):

That this House direct the Minister of Justice and the chief law officer of the Crown to refer the matter of the personal approaches made to members of the judiciary by cabinet ministers who are also lawyers to the respective law societies of which the said cabinet ministers are members for investigation or appropriate disciplinary action.

Mr. Speaker: Such a motion can only be presented with unanimous consent. Is there unanimous consent?

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ADMINISTRATION OF JUSTICE

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—PRIME MINISTER'S KNOWLEDGE OF CONTENTS OF CONVERSATIONS BETWEEN MR. DRURY AND JUDGE HUGESSEN

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is to the Prime Minister who, naturally, must take responsibility for the conduct of his ministers and answer to Parliament for the ethics of his government. Would the right hon. gentleman tell us whether, in his explanation to the Prime Minister, the Minister of Public Works completely denied the allegation that he had tried to effect a solution in the court case by seeking an indication from the judge as to how the judge would respond to an apology from the Minister of Consumer and Corporate Affairs?

Right Hon. P. E. Trudeau (Prime Minister): I would say, because it is relevant to my statement that the minister in my view was not guilty of any attempt to influence the court, that effectively the minister did deny that he in any way attempted to influence the court. Beyond that, I repeat what I have said to the House on previous occasions. The relevant subject is, surely, whether the courts were interfered with and not what ministers said to each other. I hear the hon. lady over there snorting.

Some hon. Members: Oh, oh!

An hon. Member: She does that all the time.

An hon. Member: That is one of her better speeches. She was at her most eloquent.

Mr. Trudeau: Therefore, I would urge the opposition to get back to the main question of the relationship between the ministers and the judges and not the relationship between ministers.

Mr. Clark: On behalf of the House I must, I suppose, congratulate the Prime Minister on his extraordinary range—

Some hon. Members: Hear, hear!

Mr. Hees: Wait till you hear it.

Mr. Clark: —his extraordinary range of evasion. He does not miss a chance or a snort.

Some hon. Members: Hear, hear!

Mr. Clark: The Prime Minister of course once again did not answer the specific question as to whether or not there was a denial by the Minister of Public Works of an attempt to seek from the judge an indication of how the judge would respond to an apology. Since raising with the judge any suggestion of the political impact of a verdict and any suggestion of the regard in which an accused is held by the government could certainly constitute both an attempt to influence and intimidate, I would like to ask the Prime Minister—and I wish he would be specific in his response—whether the Minister of Public Works has categorically denied to the Prime Minister that he reminded the judge that the Minister of Consumer and Corporate Affairs is an important person and that the verdict is an extremely sensible and potentially explosive matter? Has the Minister of Public Works explicitly denied that he made that kind of representation to the judge in this case?

Mr. Trudeau: No, Mr. Speaker, nor did he specifically deny that the Minister of Consumer and Corporate Affairs is about five feet ten inches and has brown hair.

Some hon. Members: Oh, oh!

Mr. Clark: It would of course be easier for us all if the Prime Minister would simply come clean with the House of Commons—

Some hon. Members: Hear, hear!

Mr. Clark: —and tell us what the minister did say to the judge so that we and not he, the interested party, can come to some conclusion as to whether or not there was an attempt to act in an improper way. Yesterday the Prime Minister said that he has asked the chief justice:

> . . . to give us information that might be in his possession respecting any unwarranted attempts to interfere with proper administration.

I wonder if the Prime Minister would spell out for this House the circumstances in which he believes it would be warranted for a minister of the Crown to attempt to influence the decision of a judge in a case then before the courts.

Some hon. Members: Hear, hear!

PRIME MINISTER'S CONVERSATION WITH CONSUMER MINISTER CONCERNING APPROACH TO JUDGE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Prime Minister a question. The Prime Minister has said that he received private explanations from the three ministers who reported—

Mr. Trudeau: I cannot hear you with all the noise.

Mr. Woolliams: I am sorry the Prime Minister cannot hear me. The Prime Minister said he received private explanations from the three ministers who were reported to have approached the judge. Without accepting in any way that that constitutes an adequate response in terms of the Prime Minister's duty to parliament, I would like to ask him whether he has had a similar conversation with the Minister of Consumer and Corporate Affairs, who has been found guilty of contempt in court, who alledgedly requested one reported intervention.

● (1420)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I told the House that I spoke to all three ministers, that they gave me the substance of what they had said to the particular judge, and that I had reached the conclusion they were not attempting to influence the outcome of the case. I can understand the House wanting to pursue that knowledge, but I suggest the proper course would be to pursue it with the courts themselves, who are surely the best judges of whether they have been influenced. If they say they were, obviously we might have to follow a course which would be announced. However, this is the whole purport of the letter of the Minister of Justice to the Chief Justice of the Superior Court of Quebec.

CONTENT OF CONVERSATION BETWEEN MR. DRURY AND JUDGE HUGESSEN CONCERNING CONSUMERS MINISTER

Mr. Eldon M. Woolliams (Calgary North): Yesterday the Prime Minister stated that unilaterally he had made a decision that there was no intervention, and he said any attempt made would be wrong. Then he said, and I quote:

> The essence of the question is "Did you talk to the judge in order to influence the judgment or to influence the course of justice"? That is the relevant—

If that is a relevant question, is the Prime Minister now prepared to give a relevant answer that the ministers made to him, referring to the Minister of Public Works and others talking to the judges, and what the Minister of Public Works said to the associate chief justice as to the Minister of Consumer and Corporate Affairs? In other words, if the question is relevant, let us have relevant answers.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): I agree completely with the hon. member for Calgary North. The

question is relevant. I did say it was relevant, and it was in order to have relevant answers that I was suggesting we hear the views—if he wants to make them heard—of the chief justice.

Some hon. Members: Oh, oh!

Mr. Trudeau: The hon. member wants to hear answers from me.

Mr. Clark: Indeed.

Mr. Trudeau: The Leader of the Opposition says, indeed. I gave answers. The opposition does not think I am impartial or qualified to give such answers.

Some hon. Members: Hear, hear!

Mr. Woolliams: You are right.

Mr. Trudeau: The hon. member says I am right, and the Leader of the Opposition suggested I should come clean. I have given answers to the best of my ability.

Some hon. Members: Oh, oh!

Mr. Paproski: You can do better than that.

An hon. Member: Yesterday you were claiming privilege.

Mr. Forrestall: Even Joe Guay could do a better job.

Mr. Trudeau: Obviously, hon. members are not attaching a high value to my answers.

Some hon. Members: Hear, hear!

Mr. Trudeau: Therefore the best course surely would be for them to stop asking me questions.

Some hon. Members: Oh, oh!

DATE OF CONVERSATION BETWEEN MR. DRURY AND JUDGE HUGESSEN

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I will do precisely that right now and direct my question to the Minister of Public Works. The minister has indicated to the House in the past that he did in fact have a conversation with Justice Hugessen. Would the minister tell us today if that conversation took place on a date before the hearing began into the case of the Minister of Consumer and Corporate Affairs? If that was not the date, what date was it, and from whom did he obtain the information that it was going to be Judge Hugessen who was to be hearing the case?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, the telephone conversation to which reference has been made took place the day following the first of the series of hearings conducted by Judge Hugessen, who was in charge of this particular case.

[Mr. Trudeau.]

POSSIBILITY MR. DRURY TOLD JUDGE HUGESSEN CONSUMER'S MINISTER IMPORTANT PERSON

Mr. Edward Broadbent (Oshawa-Whitby): Then the minister is confirming that the conversation he had with Judge Hugessen took place after the hearing had begun and while the judge was in the process of making up his mind on the matter. He has indicated to the House that he would not reveal positively—and we have heard his reasons, without necessarily accepting them—what was said to Judge Hugessen. In view of the importance of the allegations that were made in today's press would the minister take this opportunity to at least deny that he made any reference to the fact that the Minister of Consumer and Corporate Affairs was either a French Canadian or likely to be a very important person, to Judge Hugessen?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I think the hon. member cannot really be serious in his intention when he says he respects my refusal to comment on speculative stories in one respect, but I should take the opportunity to deny another sort of speculative story.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, the minister clearly misunderstood me. I said that I understood from his earlier answers he was not going to tell us in a positive sense what he did say to the judge. He has already said that. I do not accept that answer but I am not pursuing it any longer. The question I am putting to him is, would he at least take the opportunity of clarifying, and I hope denying, that he made any reference to the fact that the Minister of Consumer and Corporate Affairs was a French Canadian and that he was a very important person? Surely, the minister can at least do that, since it is outside his own terms of reference within which he has answered questions in the House before. Why can he not at least deny that?

Mr. Drury: Mr. Speaker, I am surprised the hon. gentleman is falling for the tactic of ascertaining, rather inefficiently, a fact by setting up a series of straw men to be knocked down.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Broadbent: The straw man is already going.

* * *

[*Translation*]

CONSUMER AFFAIRS

SUGGESTED INQUIRY INTO ADVERTISEMENTS BY AUTOMOBILE MANUFACTURERS RELATING TO GAS MILEAGE

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Minister of Consumer and Corporate Affairs.

Does the minister intend to take particular steps to check the figures on gas consumption put out by automobile manufacturers in their advertisements, and find out

whether they correspond to the facts so that Canadian consumers do not become victims of misleading advertisements in this regard?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, if the hon. member has specific examples to give me, I shall be pleased to convey them to the director of investigations of my department who, as required by law, will make an investigation under the Combines Investigation Act.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

REFERENCE TO CANADIAN BAR ASSOCIATION CODE OF ETHICS FOR LAWYERS IN PUBLIC OFFICE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I should like to ask the right hon. Prime Minister a question. In reaching a decision about the efficacy of ministerial conduct will the Prime Minister direct his attention to the code of professional conduct of the Canadian Bar Association and most especially that section dealing with the ethical standard expected of the lawyer in public office?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I would be happy to direct my attention to that. Perhaps the hon. member could send a copy of the respective statutes or regulations.

An hon. Member: Obviously, you have not read it.

Mr. Trudeau: Mr. Speaker, some hon. members opposite do not seem to realize there are ten different bars in the ten different provinces and they may have different sets of regulations. I should be interested to hear not only what the Canadian bar has to say but what the bar of New Brunswick has to say. I am sure what the bar of Alberta has to say would be of no interest at all to the hon. member opposite who probably would not even understand it.

An hon. Member: You are getting a little testy there, Pierre.

An hon. Member: Boiling point is approaching.

Mr. Trudeau: Pretty close.

POSSIBILITY QUESTION OF MINISTERIAL ETHICS LEFT TO COURTS TO DECIDE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I accept the high karate. It would be quite an interesting experience. The Prime Minister told us yesterday relative to ministerial conduct that if an action is said to be wrong it will be wrong because the court comes to the conclusion it has been interfered with. I want to ask the Prime Minister if it is his opinion that the question of ministerial ethics and intent which after all must be one of his prime responsibilities and for which he would set the tone of any government, is to be left to the discretion of the courts or the chief justice?

● (1430)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, certainly not the principle or rules of conduct. But there have been allegations of facts, that the courts were interfered with. In some cases these facts have been demolished. In other cases they are being analysed by the chief justice. My whole case rests not on the application of the principle itself, because I said, clearly, that it was wrong for anyone, not only a minister, to try to influence a judge of the court in the discharge of his duties.

Mr. Lawrence: Especially a minister.

Mr. Trudeau: It will not apply to the hon. gentleman opposite, who will never again be a minister.

Mr. Baker (Grenville-Carleton): Such modesty.

Mr. Lawrence: I will join the Prime Minister in the has beens club.

Mr. Trudeau: Mr. Speaker, the issue, therefore, is not one of principle, on which I have stated my views which, I believe, are not different from those of the hon. member for Fundy-Royal. The issue is one of fact: whether, in fact, these courts in some way or other have been aggrieved; whether, in fact, there has been an attempt to interfere in the discharge of the judge's duties. It is a question of fact. I repeat, if hon. members opposite do not want to take my word for it, I do not blame them. I think we should wait to hear what the chief justice of the superior court feels about the facts.

* * *

ELECTIONS

WILLINGNESS OF PRIME MINISTER TO SUBMIT ISSUES TO ELECTORS IN BY-ELECTION IN OTTAWA-CARLETON

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, may I direct a supplementary question to the Prime Minister? Yesterday the Prime Minister refused to give an account to this House, and has refused today. My question is this: rather than delegating the question of ministerial ethics to a judge, and trying to find an election issue in the constitution, is the Prime Minister prepared to call immediately a by-election in Ottawa-Carleton and put his conduct on this and other immediate matters before the voters?

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Will the Prime Minister not answer?

* * *

ADMINISTRATION OF JUSTICE

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REQUEST FOR PUBLIC INQUIRY OR STATEMENT BY PRIME MINISTER

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is for the Prime Minister. The Prime Minister

told the House that the chief justice would not normally be called upon to look into conversations between "members of my cabinet," stating that this was "quite proper." The Minister of Public Works indicated that the chief justice has not interviewed him in this regard. As it seems unlikely that the chief justice will investigate ministerial intent, one of the crucial issues here and a central responsibility of the Prime Minister, does the Prime Minister intend to make a statement or initiate an inquiry into the conduct of his ministers in this regard, since he is the only person with access to this information?

Mr. Speaker: Order, please. I have been sorting out questions carefully and watching for repetitions. There has been a recurrence of questions, with slight variation, on the same theme. I think, in this case, there is not a variation. The hon. member has put a question which has been put previously to the Prime Minister and answered by the Prime Minister.

REQUEST FOR IDENTIFICATION OF PUBLIC-SPIRITED CITIZENS WHO APPROACHED JUDGE ON BEHALF OF CONSUMER'S MINISTER

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I am trying to elicit information, with all due deference. I am asking the minister for further clarification. As the Minister of Public Works has referred to a number of public spirited citizens who also approached the judge, has the Prime Minister, as leader of the Liberal party, looked into the matter. Has he any idea who those people are and will he identify them if he knows who they are?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have no more idea than the hon. member opposite might have.

Mr. Baker (Grenville-Carleton): You should have.

* * *

ENERGY

REQUEST FOR SUBSIDY FOR OIL FOR GENERATION OF ELECTRICITY IN NOVA SCOTIA—GOVERNMENT POSITION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. As power rates in Nova Scotia have now risen beyond the reach of ordinary working men and pensioners, and in view of the rough reception given to federal cabinet representatives from Nova Scotia at last weekend's Liberal convention by Liberals, particularly the finance minister of that province and others, with respect to the need for a subsidy for oil for power generation purposes, can the minister say if Nova Scotia is to be given assistance in this regard?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, Nova Scotia is already receiving assistance in two forms. It is receiving assistance under the oil compensation account. If Nova Scotia were to pay the world price, it would pay much more than it is now being asked to pay. To be specific, may I refer to the price that the power utility pays for its coal. If that coal were sold at world prices, power would be much more expensive. Actually, that coal is being sold at the equivalent of the Canadian oil price, which is held down well below the world price. As a result DEVCO is assuming greater losses than it otherwise would. This form of subsidy is to the benefit of citizens of Nova Scotia.

* * *

VETERANS AFFAIRS

SUGGESTED SUPPLEMENTARY ASSISTANCE TO PENSIONERS IN NOVA SCOTIA IN VIEW OF HIGH COST OF ELECTRICITY

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I wonder why the rate has more than doubled. May I direct my supplementary question to the Minister of Veterans Affairs? As recipients of disability pensions and war veterans allowances are finding it almost impossible to survive and pay their power bills, would the minister consider granting special supplementary assistance to recipients of DVA pensions?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, according to our last assessment, recipients of WVA and disability pensions, after receiving the indexed adjustment, are in a position to pay for their energy.

* * *

[Translation]

AGRICULTURE

REQUEST OF INDUSTRIAL MILK PRODUCERS—GOVERNMENT POSITION

Mr. Raynald Guay (Lévis): Mr. Speaker, while waiting for the report of the chief justice on the matter in which the Progressive Conservatives are interested, I should like to put to the right hon. Prime Minister a very serious question on a matter of interest to thousands of Canadians.

Following the meeting held by the members of the Quebec Liberal caucus with industrial milk producers—for we now understand—and the most positive representations of those producers, will the Prime Minister and his cabinet give serious consideration to the requests of the producers?

Right Hon. P. E. Trudeau (Prime Minister): Yes, of course, Mr. Speaker; I shall be helped in this regard by the very important brief handed over to me by the members of the Quebec Liberal caucus.

* * *

[English]

SUPPLY AND SERVICES

CONTRACT WITH LOCKHEED—REASON FOR MINISTER'S ASSURANCE OF DELIVERY OF AIRCRAFT—POSSIBILITY OF UNITED STATES GUARANTEES

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is for the Minister of Supply and Services. In answer to a question I asked him on Tuesday of this week, he said that he was reassured about the Lockheed Orion

contract as two thirds of Lockheed orders are for U.S. domestic contracts. As the United States does not guarantee Lockheed more than $250 million for all contracts, how can the minister indicate that he is reassured? Also, will he advise the House if he sought U.S. guarantees that Canada is to get what it pays for under that contract?

● (1440)

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, it is obviously a matter of judgment not easy to deal with, but following our discussions with the U.S. government and those we had with Lockheed Aircraft Corporation, Ltd., we have obviously sufficient ground to believe that Lockheed will be able, if an agreement is entered into, to deliver the aircraft we intend to order.

[*English*]

CONTRACT WITH LOCKHEED—INVOLVEMENT OF DEPARTMENT OF JUSTICE—PRESENT LIABILITY OF GOVERNMENT

Mr. Stuart Leggatt (New Westminster): A supplementary question, Mr. Speaker. Was the Department of Justice involved in initial negotiations and in the declaration of principle or intent to purchase? Second, can the minister say how great a liability Lockheed has incurred so far with respect to this contract? In other words, what liabilities are we looking at today?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I will be glad to consider the questions put by the hon. member and give him the information as soon as I have it.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

POSSIBILITY OF INVESTIGATION INTO ALLEGATIONS OF INTERFERENCE BY MINISTERS WITH QUEBEC JUDGES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Solicitor General. It having been held in law, and I quote, that "it is a grave contempt of court to communicate with, or to seek in any way to influence a judge upon the subject of any matter he has to determine", and in view of the clear provisions in Section 127(2) of the Criminal Code covering such perversion of justice, will the minister indicate if he has asked the investigatory authorities who report to him to investigate the circumstances which led the Minister of Public Works to make the statement appearing at page 11457 of *Hansard* of March 3 to the effect that he had a conversation with Mr. Justice Hugessen touching on a subject matter before him?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the enforcement of the Criminal Code is under the jurisdiction of the attorneys general of the provinces and I am sure they will do a good job.

Mr. Stevens: In view of the circumstances I just outlined in my question, and bearing in mind that the actual laying of a charge may be in the hands of an attorney general of any province, will the minister indicate if he will ask for an investigation to be conducted by the authorities under his department?

Mr. Allmand: No, Mr. Speaker. As the Prime Minister pointed out, if the Chief Justice of Quebec thinks that an investigation should take place, he will ask for one.

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ADMINISTRATION OF JUSTICE

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—INTENT OF MR. DRURY IN CALLING JUDGE HUGESSEN

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a supplementary question for the Minister of Public Works. As the minister will not give details of his conversation, is the hon. gentleman able to deny to this House that when he, as a minister of the Crown, communicated with the judge charged with the responsibility of trying this case, it was his intention to convey to the judge his viewpoint with regard to the charge?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I think I did make a statement to the effect that it was not my intention to influence the course of justice.

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EXTERNAL AFFAIRS

INQUIRY OF TRINIDAD CONCERNING TRIAL OF STUDENTS IN MONTREAL—MANNER IN WHICH INQUIRY CONVEYED TO JUDGE

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I will try to bring somebody else into the net. My supplementary is directed to my distinguished friend, the Secretary of State for External Affairs, one of our best parliamentarians.

Some hon. Members: Hear, hear!

Mr. McCleave: I would not want to leave him out of something like this. I direct my question to him because we are trying to pin down the role of the present Minister of National Health and Welfare. Perhaps his grandson once removed, the President of the Privy Council, should really be answering the question. Has the minister or anyone in the department satisfied themselves as to the propriety of the request from the Prime Minister of Trinidad and Tobago concerning the trial in Montreal a number of years back, and whether that request was properly transmitted and dealt with?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I have ascertained that indeed such a request was made, as was mentioned by the Prime Minister. The record indicates that various steps were taken by the Secretary of State for External Affairs at that time with respect to that request. There is no information that I have been able to find on the record that

would illuminate the particular aspect of the question raised by the hon. member, except that there were discussions at that time which involved representatives other than those in the Department of External Affairs, including representatives, I believe, from the Prime Minister's office. However, this particular aspect is not covered.

Mr. McCleave: Mr. Speaker, I think that probably this is the field in which we in this parliament really have to make a final decision. However, with regard to the propriety of it, would it not have been better if the then Secretary of State for External Affairs had approached the Minister of Justice rather than leaving it to the principal secretary of the Prime Minister?

Mr. MacEachen: Mr. Speaker, that is a matter of opinion upon which the hon. member is as equipped as I to form a judgment.

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INQUIRY OF THE MINISTRY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is to the Minister of National Health and Welfare. As the minister described the Prime Minister's speech in Quebec last Friday as a combination of kibitzing and jocular remarks, will he give the House a few examples of this good, boyish fun which evidently had the delegates rolling in the aisles for the best part of 90 minutes because this House is overdue a little humour and a few laughs to alleviate the jaundiced picture of ministers trying to influence the judiciary?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

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EXTERNAL AFFAIRS

INDIA—REQUEST FOR OUTLINE OF SAFEGUARDS CONNECTED WITH RESUMPTION OF NUCLEAR AID

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a question for the Secretary of State for External Affairs. My question refers to the understandings on nuclear aid to India which the minister stated had been reached by the negotiating team which recently visited India. Now that the Prime Minister's political advisor, Ivan Head, has stated publicly "The key to agreement as far as we were concerned was that India accept longlasting international safeguards on the use of nuclear reactors. We were successful in this", is the Secretary of State for External Affairs now in a position to tell the House what these long-lasting international safeguards are and whether they have received cabinet approval?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the negotiating team was acting under instructions. Its terms of reference were established by me. I have not yet received a detailed report nor indeed a copy of the understandings reached at the discussions at New Delhi. I would underline that these have not been approved. They will be examined by myself and, if found appropriate, sent on to cabinet for consideration. None of these steps have been taken or completed at the present time.

INDIA—SUGGESTED DEBATE PRIOR TO SIGNING AGREEMENT FOR RESUMPTION OF NUCLEAR AID

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, the Secretary of State for External Affairs might have some discussion with the Prime Minister's principal advisor to find out on what his statements are based. In view of the implications for world security of Canada's nuclear export policy, will the minister, and I put this question to him because I believe he is a more considerate and compassionate man than the Prime Minister—

Some hon. Members: Oh, oh!

Miss MacDonald: It is obvious from the replies we receive that he is more considerate. Will the minister seek to have the government reverse its decision of not having the pending agreements with India debated in the House but rather bring full information as to safeguards, accords, length of time of agreements into this chamber for debate and discussion before we take any final step in ratifying the accord? I ask this question because the Canadian people have much more interest in this information than the Prime Minister appears to have.

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, on the occasion of the tabling of the nuclear co-operation agreements with the Republic of South Korea and Argentina, I tabled a very extensive background paper on the whole question of nuclear safeguards in an effort to provide the greatest possible amount of available information on this subject. As the hon. lady recalls, there was a rather extensive question and answer period at that time on the significance of these agreements. It has never been the practice in Canada to submit such agreements to the House of Commons prior to approval, and that is the traditional practice that is being followed in this case. However, I have no objection to having this subject matter debated at any time that the opposition decides to bring it forward, or indeed to co-operating with any effort that might be made on a bilateral basis to have the subject ventilated in the House.

* * *

● (1450)

INQUIRY OF THE MINISTRY

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, I am afraid my question is going to be anti-climactic. I just want to ask my hon. friend the Secretary of State for External Affairs, who received a communication from the Minister of National Health and Welfare who did not seem to like his response very much to the question asked by my colleague from Halifax-East Hants, if it is not a breach of privilege, whether he would disclose the contents of the note handed him by the minister?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I would have no difficulty except it might create an unfortunate precedent.

Some hon. Members: Oh, oh!

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EXTERNAL AFFAIRS

POSSIBILITY OF INFORMING UNITED STATES SENATE COMMITTEE REASON CANADA NEGOTIATING WITH INDIA FOR RESUMPTION OF NUCLEAR AID

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is supplementary to those asked by the hon. member for Kingston and the Islands relating to the intended agreement with India and the continuation of nuclear aid. In view of the concern shown last night in Washington by members of the U.S. Senate in attempting to find out why Canada is now negotiating with India for the continuation of this nuclear aid, I wonder whether the Secretary of State for External Affairs is taking steps to indicate Canada's position to that Senate committee in Washington?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I understand the report to which the hon. member refers relates to fuel shipped by the United States to the United States supplied reactor in India. That is my understanding of the news report. Obviously, if United States congressmen have certain views on this question, that is their concern. We will attempt to decide whether we ought to resume nuclear shipments to India on the basis of Canadian policy and our adherence to the nuclear suppliers' consensus which was recently certified by Canada.

Mr. Lawrence: A supplementary question, Mr. Speaker. My question is related to the concern shown by U.S. Senators in a Senate sub-committee last night, who were asking why Canada was renegotiating nuclear aid to India. My supplementary question to the minister is this. If he is going to be good enough to indicate that reason to the Americans, would he also have the courtesy to indicate to the House of Commons why this is so?

Mr. MacEachen: Mr. Speaker, I would have no difficulty indicating the reason that we are having these discussions with the government of India. Following the explosion in India, nuclear co-operation between Canada and India was terminated, despite the fact that there was an outstanding requirement to provide equipment for the uncompleted reactor in India. We have not resumed shipments and would not do so unless we were assured, as a result of these discussions and any agreement entered into, that the cause of non-proliferation had been advanced rather than retarded by entering into the agreement. At the very end of the analysis, we will have to make a judgment whether in all the circumstances any understanding arrived at will have advanced that cause, rather than leave the situation as it is now with this particular uncompleted reactor unsafeguarded to the extent of Canadian standards.

FINANCE

DECLINE OF THE POUND—POSSIBILITY OF ASSISTING UNITED KINGDOM WITH VIEW TO MAINTAINING FLOW OF EXPORTS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, may I direct my question to the Minister of Finance. In view of the decline in the purchasing power of the British pound and the effect of this decline on exports from Canada to that country, will the government be holding any special meetings with British government officials in the hope at least of retaining our present flow of exports to that country while at the same time assisting Britain during this period of extreme economic difficulty, in the same way that we have assisted other countries?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, we would, of course, be concerned about this to be helpful to the British government through our affiliation with the International Monetary Fund during the period of exchange difficulties through which they are passing at the moment. On a longer term basis—that is to say, the balance of trade between the two countries—I would have to defer responding on that matter until I can talk to my colleague the Minister of Industry, Trade and Commerce, who would have the prime responsibility.

* * *

[*Translation*]

AGRICULTURE

INDUSTRIAL MILK—REQUEST THAT LEVY NOT BE INCREASED AND STORAGE CHARGES NOT COLLECTED

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to direct a question to the right hon. Prime Minister.

I was very interested in the answer he gave to the hon. member for Levis when he said that on the one hand he has received a brief from dairy producers and on the other another brief from his caucus, and in those circumstances I would like to know whether the Prime Minister would be prepared to assure the dairy producers that the present 65 cents levy will not be increased for the next dairy year and that storage charges will not be collected directly from the producers. If so, I would guarantee the Prime Minister full cooperation from this side of the House.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member is asking me to comment on the brief drafted by the caucus of Quebec, which I mentioned yesterday. May I tell him that I intend to give my answer to the caucus before giving it to him.

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[*English*]

ENERGY

POSSIBILITY OF EXTENDING WESTERN OIL PIPELINE EAST OF MONTREAL—GOVERNMENT POSITION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the minister of energy. Can he shed any light at this point in time on the status of the

government's planning to push the so-called western pipeline east at least as far as salt water?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, perhaps the hon. member would want to read the transcript of the proceedings of the standing committee which was putting some questions to me on supplementary estimates the other day; he might be able to get a fair appreciation of the kind of problems I was describing. I think the subject is too technical and too general to give an answer in the House.

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ENVIRONMENTAL AFFAIRS

GOVERNMENT POSITION ON DEVELOPMENT OF CABIN CREEK COAL DEPOSITS ON BRITISH COLUMBIA-MONTANA BORDER

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is for the Minister of the Environment. In view of the recent meeting on Tuesday between the United States delegation from the state department, department of agriculture, department of the interior and the state of Montana, with their Canadian counterparts, the Department of the Environment, the Department of External Affairs and the provincial government, in connection with Cabin Creek coal development, would the minister make a statement today on his department's views concerning the development of Cabin Creek coal at the B.C.-Montana border?

Hon. Jean Marchand (Minister of the Environment): Mr. Speaker, this is a matter which I discussed with Mr. Neilson when I was in British Columbia. I have already discussed this question with the U.S. ambassador and I intend very shortly to meet with the director responsible for the environment in Washington. We want to discuss all problems, not only in B.C. but in Saskatchewan, Manitoba and the Great Lakes, and reach a solution.

Mr. Brisco: A supplementary question, Mr. Speaker. Is it the minister's intention to table in the House or to provide in the form of a press release specific information to the House regarding Cabin Creek border coal development?

Mr. Marchand (Langelier): I will look into that, Mr. Speaker.

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ANTI-INFLATION PROGRAM

APPEAL OF ADMINISTRATOR'S DECISION IN IRVING CASE—REQUEST FOR EXTENSION OF DEADLINE TO PERMIT UNION TO MAKE ORAL PRESENTATION

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Labour. In view of the fact that the Canadian Paper Workers Union submitted their appeal of the Administrator's decision in the Irving case on March 9 and I believe the cabinet is going to make a decision on Monday, owing to an error in the Privy Council office in announcing the deadline would the cabinet consider extending the deadline so they may deal with this complicated brief in some considerable detail and allow the union to make an oral presentation?

[Mr. Forrestall.]

● (1500)

Hon. John C. Munro (Minister of Labour): We do not have the right under the law to extend the deadline, but we have considered the submission of the paperworkers. In the analysis, we have not seen fit to grant their request. However, as we have stated, we are bringing forward amendments to permit appeal procedures and that option will be open to the paper workers as a result.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): On a point of order, Mr. Speaker, could I ask the House leader to let us know his intentions with respect to the business of the House today, for the balance of the week and perhaps even for next week.

Mr. Sharp: This afternoon we shall resume consideration of Bill C-83. You are aware, Mr. Speaker, that the House must take under consideration objections which have been filed respecting the provisions of the reports of the Electoral Boundaries Commissions. Discussions have taken place among representatives of the parties, and as a result I should like to propose an order of the House which would set the process in train. The time for taking into consideration the objections filed to the Nova Scotia redistribution expires tonight; that in respect of British Columbia expires on March 27; and that in respect of Alberta, on April 3.

It will be my intention to ask the House to set aside some time later for the consideration of all the objections which will have been filed by March 28, which I am given to understand is the final date for the filing of objections. This would include any of the objections to be discussed later today, the consideration of which is not completed. I should, therefore, like to move, seconded by my colleague, the Minister of Public Works:

That at 8:00 p.m. this day the House shall take up consideration of objections to the report of the Electoral Boundaries Commission for the province of Nova Scotia;

That, after completion of consideration of the said report, the House shall take up consideration of objections to the report of the Electoral Boundaries Commission for the British Columbia, but, if consideration of the report for Nova Scotia has not been completed at 8:40 p.m., the said consideration shall be adjourned and the House shall proceed forthwith to consideration of the report for British Columbia; and

That, after completion of consideration of the said report for British Columbia, the House shall take up consideration of objections to the report of the Electoral Boundaries Commission for Alberta, but, if consideration of the report for British Columbia has not been completed at 9:20 p.m., the said consideration shall be adjourned and the House shall proceed forthwith to consideration of the report for Alberta;

Mr. Speaker: Order. Such a motion is normally receivable only during the time set aside for motions. However, if the House is disposed to make this arrangement, it might be simpler to dispose of the matter now. Does the President of the Privy Council have the consent of the House to move the motion?

Mr. Nowlan: Might I direct a question to the President of the Privy Council?

Mr. Speaker: If there are questions to be asked, it might be better if we adhered to our usual practice. The motion is more properly receivable when we get to that point in our procedure.

Mr. Sharp: Might I continue my report to the House on business? I had to interrupt it in order to explain what the government proposed we should do at eight o'clock. We shall proceed to the consideration of those objections, if the House so agrees. Tomorrow will be an opposition day. On Monday we shall resume consideration of the second reading of Bill C-68. Tuesday is an opposition day. On Wednesday, if Bill C-68 has not been completed, its consideration will be continued. Then we shall resume consideration of Bill C-83.

Mr. Baker (Grenville-Carleton): I understand that it is the intention of the government House leader, with respect to the electoral boundaries matters, that there shall be, following the time set aside this evening, a time appointed to complete consideration of the Nova Scotia, British Columbia and Alberta objections, if necessary, as well as any others consideration of which might have been begun. That is my understanding, and I see that the hon. gentleman is confirming it.

As to one other aspect, I really must protest. Yesterday this House endured an unwarranted intrusion into its regular proceedings in the form of a closure motion with respect to Bill C-68. Instead of dealing with this important bill at the first available opportunity, we find the government today moving on to the revision of the peace and security legislation. I suggest it is improper not to consider Bill C-68 if the need for it was so urgent as to lead to the introduction of the closure motion yesterday. I believe the House leader owes us an explanation.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, with respect to the business of the House, may I say it will not bother me if the House leader puts Bill C-68 off for six months or a year. We do not want it at all. But may I ask a question which relates to the very welcome announcement, which pleased us all two weeks ago, about legislation respecting Canadian veterans who were prisoners of war. Despite our pleasure at this announcement, some of us are getting anxious as time goes by. Can we be told on what day the bill will be introduced?

Mr. Sharp: I do not think I am privileged to answer the House leader of the official opposition, but may I reply to the question asked by the hon. member for Winnipeg North Centre? The bill is in course of preparation, and I expect it will be given first reading soon.

Mr. McGrath: Yesterday, Mr. Speaker, on a point of order you directed that the Minister of National Health and Welfare would be given an opportunity today—provided, of course, that the hon. member who raised the question in the first instance, the hon. member for Oshawa-Whitby, put the question to him—to carry out an undertaking the minister gave last Friday to the hon. member for Oshawa-Whitby having to do with the Canada Games to be held at St. John's, with federal participation. Since the hon. member for Oshawa-Whitby did not raise the subject today, perhaps the House might agree to allow the minister to answer the question now.

Mr. Speaker: The Chair certainly has no objection to following that course. I recognize the Minister of National Health and Welfare.

Mr. Lalonde: Mr. Speaker, the federal government participates in the Canada Summer and Winter Games and shares in the operating cost and capital cost of those games on the basis of an agreed budget. Although the games have been awarded to St. John's for 1977, no agreement has yet been signed with the organizing committee of the games. In the meantime, the organizing committee has proceeded, as was mentioned yesterday, to award a contract for a sportsplex without consulting with us. It is clear we shall share only the cost of the agreed budget, and after we have signed an agreement with the organizing committee we shall cost-share only according to an arrangement in which there would be provision to ensure that normal tendering practices will be observed in the expenditure of federal funds.

Mr. Broadbent: Mr. Speaker, I rise on a point of order occasioned by an answer given earlier in the House by the Minister of Public Works. Last Wednesday, when the issue of alleged interference with judges by members of the cabinet first arose, the minister stated, as reported at page 11457 of *Hansard*:

● (1510)

I think it would be only an irresponsible member who would try to persist in having an effect or influence on a judgment on appeal.

Later in the same answer he said:

I would have refrained from intervening or from having any conversation with him.

That referred to a judge considering an appeal. In respect of a question I put to him today, the minister has raised a very serious matter, it seems to me, when it is considered in conjunction with the answer he gave in the House last Wednesday. When he gave the answer, I think a number of people understood that the intervention of the phone call which the minister had admitted he made to Judge Hugessen in fact took place prior to the commencement of the hearing. A number of us would have had objections about that in principle, but at least it might have been contended that what was being done then was simply an attempt to ascertain some information about, for example, the date of the commencement of the hearing.

Now, as a result of what the minister said today, namely, that his phone call was made to the judge a day after the appeal started, I submit that such a phone call could not—I repeat, "could not"—have any other effect except to be some kind of intervention in the judicial process. My point is that given the fact that the minister acknowledged today

that he made the phone call to the judge after the appeal was under way, he has an obligation to explain his earlier comments which many people interpreted as meaning that his phone call took place prior to the commencement of the appeal. He inadvertently, or otherwise, misled the House.

Mr. Speaker: Order, please. The hon. member for Oshawa-Whitby may, of course, have a very valid comment on the relationship between the two answers given by the minister or the quality of either, or both, but this does not technically constitute a point of order.

Mr. Abbott: Mr. Speaker, I should like to rise on a point of order to seek clarification of the point of order raised by Your Honour yesterday. The hon. member for Bonavista-Trinity-Conception asked a question and Your Honour stated he could not receive an answer to the question because it had been previously asked. Then, on a later point of order, when Your Honour was asked further about the situation, Your Honour stated that the test is not whether or not the question had been raised previously but whether or not it had been answered previously.

Clearly, we on this side of the House, particularly on the backbenches, have very limited opportunity to ask questions. I should like to bring to Your Honour's attention the fact that in the past few days we have had repeated questions on the matter of the judicial difficulty in the city of Montreal relating to ministers, and there has been repeated repetition of all points. I shall deal in specifics. On March 3, as reported at page 11457 of *Hansard*, the hon. member for Oshawa-Whitby asked whether the Prime Minister did not think it appropriate to have a public inquiry, and so on. On March 4, as recorded at page 11484 of *Hansard*, the hon. member for Oshawa-Whitby asked whether the Prime Minister was prepared to appoint an independent commission, and so on.

Then on March 4, as recorded at page 11486 of *Hansard*, the hon. member for Oshawa-Whitby asked for a public inquiry. Also, as recorded on the same page, the hon. member for Oshawa-Whitby asked for a public inquiry and whether the public would have access to the written report. As recorded at page 11490 of *Hansard*, the hon. member for Nanaimo-Cowichan-The Islands asked for a public inquiry. On March 8 the hon. member for Central Nova asked for a special inquiry. On March 9, as recorded at page 11613 of *Hansard*, the Leader of the Opposition made a request for publication of the report of the judge. Yesterday, as recorded at page 11660 of *Hansard*, the Leader of the Opposition asked whether or not there was interference. As recorded at page 11661, the hon. member for Oshawa-Whitby asked whether or not there was interference. All I say—

An hon. Member: We want some answers.

Mr. Abbott: The hon. member says they want some answers. Answers have been given. I suggest there is a grave inequity in respect of some members of this House who must sit here day after day listening to repetitive questions: the same questions are asked over and over again. Mr. Speaker, my point of order is that if the backbench members on this side of the House are to be governed by such a rule, I would respectfully ask Your Honour to apply the same rule to the opposition.

[Mr. Broadbent.]

Mr. Baker (Grenville-Carleton): Mr. Speaker, I do not accept the premise that there have been repeated questions, but if the member feels there have been repeated questions with regard to the matter I wish to say to you, sir, and through you to him, that there has been repeated evasion in respect of an answer on the matter of a public inquiry. I hope the hon. member is not saying that the members of the opposition ought to sit quietly by and accept evasive and non-answers. Does he suggest that we should sit quietly by, retire, and leave a public matter like this hang the way it is, a matter which day by day is bringing disrepute to this government? I say "Shame" to the member who just raised the point of order.

In so far as the operation of the question period is concerned, aside from the question of the stonewalling which I think is apparent to everyone, the member has raised a point of order with regard to the way in which the Chair is handling this House. I want to say to you, sir, that if the question period is to be used for the answering of questions that can be raised by the member in another forum where may not be the same retiscence to confess wrongdoing, then I think that would be an improper use of the question period. By tradition you, Mr. Speaker, have made a ruling in respect of the position of parliamentary secretaries because they are privy to certain information.

In regard to the operation of this House, the question period is a place in which to attempt to elicit information. I must say, Mr. Speaker, that you have been extremely generous, having regard to the conduct of some of your predecessors, in respect of questions by government members. It is my duty and part of my function as a member of the opposition to very carefully monitor the operation of the question period. I do not say this as a criticism of you, sir—quite the contrary; but I say that the hon. member is not making a valid point when he says that you have been unfair in terms of the question period, having regard to questioning by the opposition.

I have done some research in respect of the operation of the question period in the past. The fact of the matter is that to a greater extent government members are being recognized. I suggest to you, sir, with great respect—and great respect to my friends as well, because I can understand their frustration in having to sit behind a government like that—that you must exercise a great deal of care in that regard because of the position of the Chair having regard to the traditions over the years as to the use of the question period. If there has been what my friend calls repetition with regard to this matter, I want to say to him that if this government would come clean, if this Prime Minister would answer the questions we have asked, if the Minister of Public Works would answer the questions we have asked, and if they would give the country the public inquiry for which we have asked from the first day, we would ask no more questions in this regard.

● (1520)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in just a word or two may I say to the hon. member for Mississauga that the most effective way to avoid repetition of questions is for the government to answer the questions.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): As for his delight in giving instances when the same questions have been asked a number of times, I can tell him that some of us have had to ask questions year after year and decade after decade, and I know of no rule which prevents the asking of questions, especially when they have not been satisfactorily answered.

Frankly, I am surprised that my friend, the hon. member for Mississauga, should be raising this point of order. I have seen some bad times in this House of Commons, but I have never seen such calculated evasion of questions put by members of the opposition. If there is anything that has been wrong in the last week or so, it has been the unwillingness of the Prime Minister and his colleagues to answer questions to which the people of this country want answers.

Mr. Hnatyshyn: Mr. Speaker, I should like to make a brief contribution to this point of order, in view of the fact that during the course of the question period Your Honour saw fit to make an assessment with regard to a question I asked of the Prime Minister. I should like to say to Your Honour that I realize that this matter has received great interest both within the House and publicly, and I know that the Prime Minister has indicated on different occasions in his answers that he is awaiting the reply of the chief justice and that is his position. But if Your Honour has an opportunity to reconsider the question that I asked, I would point out that there was no time parameter with respect to the position of the government regarding the action to be taken by the Prime Minister.

In other words, I was trying to determine whether the Prime Minister at any time, whether before or after he receives the answer of the chief justice, would conduct his own investigation among his colleagues or in cabinet to see whether, from the point of view of parliamentary procedure and propriety, in a political sense, the action of the various ministers was in order. That was the point of my question. I have followed in great detail the questions that have been asked, and I venture to say that this is one instance where there has been no repetition of a previous question. I suggest that Your Honour's assessment was not quite fair to me, in the sense that mine was a quite unique question regarding the intention of the Prime Minister in this respect.

With your indulgence, I ask Your Honour to reflect on the question which I asked, which was possibly more verbose than normally, and allow me to pursue it at a later time.

Mr. Blais: Mr. Speaker, I support the hon. member for Mississauga in his remarks.

An hon. Member: Surprise, surprise!

Mr. Blais: Like him, I was very encouraged by your remarks to the hon. member for Bonavista-Trinity-Conception yesterday when he put his question. It is evident, from the comments made by the hon. member for Grenville-Carleton, that the opposition tactic in this instance is simply to repeat the same questions. They are not interested at all in replies, because the replies were given earlier in these exchanges.

The Prime Minister indicated the attitude of the government. I suggest to Your Honour that those were acceptable replies. The Prime Minister stated exactly what the government's position was with reference to the matters raised by members of the opposition. As you have indicated before, sir, it is the right of ministers to give replies. They may not be acceptable to members of the opposition because they do not want to recognize the worth of those particular replies. The tactic of opposition members in this instance is not to seek information as the hon. member for Grenville-Carleton stated. With his usual hyperbolic terminology, he is attempting to say that he is seeking information. Nothing could be further from the collective mind of members of the opposition. What they are seeking to do is to impress the scribes in the press gallery by repeating the same questions that have been replied to previously.

Some hon. Members: Shame!

An hon. Member: Sit down.

Mr. Speaker: Order, please. The question of whether or not the Chair should intervene to prevent questions because they are identical to questions which have already been answered is one which the Chair has been reluctant to invoke in the past and will continue to be reluctant to invoke. It is a very technical rule. However, there are blatant circumstances in which repetitions are clear. Usually they are even so described by hon. members themselves, who say that because of lack of an answer, he or she wishes to repeat the question. Blatant repetitions of questions cannot be permitted.

However, the rule itself calls into play a judgment to be made by the Chair as to the exact wording of the question, as to any variations that might take place, and as to whether the question has been replied to in the past. It is not possible for any presiding officer to remember, particularly on an important matter of this nature, from day to day and several days back the exact wording of the question and whether or not it has been previously answered. Attempts which I have made to exercise that discretion in the past have never been successful. Indeed, the question put by the hon. member for Bonavista-Trinity-Conception was identical to a question that was asked previously which, however, had not received an answer, and that should have been the test. That is some indication of the difficulty of the Chair in attempting to invoke the rule. I will do it when it is blatant repetition, but I am reluctant to invoke it otherwise.

However, may I say to all hon. members—and I am sure the hon. member for Saskatoon-Biggar is aware of it—that the Chair will enforce the rule from time to time. The expression of dissatisfaction at the Chair not invoking the rule often enough on one side of the House, and the dissatisfaction on the other side at the Chair having invoked it too often, gives some indication of the great assistance which the Chair has received in these interventions by hon. members.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on the same point of order, just before we leave the matter. The hon. member for Nipissing imputed a motive to me with respect to my conduct as a member of the House of Commons. Quite frankly, I would ask the hon. member,

through you, Mr. Speaker, to look at the "blues" a little later and see whether or not that remark was justified in the circumstances. I do not think it is a proper thing for him to do, and I would certainly not do that to him.

Mr. Speaker: With due respect, this is one of the difficulties when procedural arguments get to the substance of the matter. I think an examination of the "blues" or of *Hansard* tomorrow might indicate that with respect to what has happened on both sides of the House this afternoon—and it is an indication of what might happen when we get into discussions which are intended to be procedural—it would be better if we stuck to procedural grounds and stayed away from substance.

* * *

[*Translation*]

MISCELLANEOUS ESTIMATES

Tenth report of Standing Committee on Miscellaneous Estimates, in both official languages—Mr. Langlois.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

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ANTI-INFLATION PROGRAM

TABLING OF AGREEMENT BETWEEN FEDERAL GOVERNMENT AND QUEBEC

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I am tabling a copy of an agreement between the government of Canada and the government of Quebec on the Anti-Inflation Program.

* * *

[*English*]

ANTI-INFLATION ACT

MEASURE TO ADD NEW DEFINITIONS

Hon. Donald S. Macdonald (Minister of Finance) moved for leave to introduce Bill C-89, to amend the Anti-Inflation Act.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

● (1530)

ELECTORAL BOUNDARIES READJUSTMENT ACT

OBJECTIONS TO COMMISSIONS' REPORTS RESPECTING NOVA SCOTIA, BRITISH COLUMBIA, AND ALBERTA

Hon. Mitchell Sharp (President of the Privy Council) moved:

[Mr. Baker (Grenville-Carleton).]

That at 8:00 p.m. this day the House shall take up consideration of objections to the report of the Electoral Boundaries Commission for the province of Nova Scotia;

That, after completion of consideration of the said report, the House shall take up consideration of objections to the report of the Electoral Boundaries Commission for the British Columbia, but, if consideration of the report for Nova Scotia has not been completed at 8:40 p.m., the said consideration shall be adjourned and the House shall proceed forthwith to consideration of the report for British Columbia; and

That, after completion of consideration of the said report for British Columbia, the House shall take up consideration of objections to the report of the Electoral Boundaries Commission for Alberta, but, if consideration of the report for British Columbia has not been completed at 9:20 p.m., the said consideration shall be adjourned and the House shall proceed forthwith to consideration of the report for Alberta—

Mr. Speaker: Order, please. I would remind the House that subject to discussion and agreement, the President of the Privy Council earlier indicated his intention to move a motion at this time. The House has heard the terms of the motion. Is it understood and agreed that the terms of the motion put forward by the President of the Privy Council are agreed to?

Mr. Peters: Mr. Speaker, before this motion is passed I should like to know if time will be left for orderly discussion. It is all right to introduce a motion, but I think normally they should be introduced one at a time. However, I should like to know whether, because of the difficulty we are getting into with an extended session, we are going to have time before something has to happen—and, Mr. Speaker, we have to have some additional time rather than just the introduction to each redistribution debate to which we are agreeing.

Mr. Sharp: I have had some discussions with the respresentatives of the various parties on this very point, and in the explanation I gave preliminary to reading the terms of the motion I indicated that the intention would be to set the process in train tonight on three of the objections which must be dealt with before April 3. As I said, it would be my intention at that time to seek the agreement of the House or on my own motion to set aside some time after March 28, by which time all the objections must have been filed, to discuss not only those which will be introduced tonight but also others which are already with the Chair or which may be filed before March 28. We do not consider that the discussion tonight does anything more than set the process in train.

Mr. Peters: I should like to ask an additional question. We have gone through this once or twice before. In terms of the discussions, will an attempt be made to keep the objections in a series, rather than introducing them all in a group? We may have someone talking about Quebec and someone else talking about the Northwest Territories. Is it the intention to keep them in some kind of order so that there will be a termination of the debate on one set of objections before another one is commenced?

Mr. Sharp: If I may speak again, I will put before the House leaders some proposals along these lines. Of course, it will be necessary to reach agreement. I hope we can reach agreement on some allocation of time so that the objections can be dealt with in a series in the most effective way.

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

Motion agreed to.

Mr. Baker (Grenville-Carleton): Mr. Speaker, there was a bill introduced just a few moments ago by the Minister of Finance and it was given first reading. Is there a time problem with respect to that bill?

Mr. Sharp: Yes, Mr. Speaker. I want to have a discussion with the House leaders about the opening of the discussion on second reading. As the House is aware, we have a number of opposition days: tomorrow, next Tuesday, next Friday, and in the following week I think there are several before we reach the date for the end of this semester. I will want to talk with the House leaders about when might be an appropriate time to open the debate. I indicated that on Monday we would resume consideration of second reading of Bill C-68. It probably cannot be finished on Monday, and probably will have to be resumed on Wednesday at the opening, for a short time. Then we could go back to Bill C-83.

However, I should perhaps enter the caveat that if, as a result of discussions, it is deemed advisable to revert instead to the amendments to the Anti-Inflation Act, I would later indicate that intention. At the moment, however, I think it is better to indicate that we will revert to Bill C-83.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 4,035, 4,063, 4,077, 4,079, 4,084, 4,100, 4,101, 4,140 and 4,141.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

WINTER WORKS PROGRAM—CARETAKERS' WAGES

Question No. 4,035—**Mr. Hnatyshyn:**

Will the government give consideration to making caretakers' wages allowable expenses under the Winter Works Programme, as outlined in the resolution passed at the Saskatchewan Urban Municipalities Association Convention in January 1976?

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): Under the Winter Capital Projects fund, portions of loans (equivalent to: 100 per cent in winter; or 50 per cent in summer of direct, on-site labour costs) can be forgiven and outstanding loan repayment obligations reduced accordingly. Loan forgiveness applies in respect of those on-site payroll costs directly related to construction activity. Caretakers' wages are considered to be an indirect or overhead cost and as such would not be an eligible forgiveness cost. Many loan arrangements have now been finalized according to established fund guidelines and federal-provincial agreements. It is not the government's intention to modify the terms of these agreements at this time.

PUBLIC WORKS IN CONSTITUENCY OF ROBERVAL

Question No. 4,063—**Mr. Gauthier (Roberval):**

1. Between 1963 and 1975, did the Department of Public Works grant money for public works in the Constituency of Roberval and, if so, in what amount?

2. For each such grant, what was the (a) nature of the project (b) amount granted (c) municipality concerned?

Hon. C. M. Drury (Minister of Public Works): 1. We are unable to provide information prior to April 1, 1969 as the "General Records Disposal Schedules of the Government of Canada second Edition 1968"—amendment list No. 3, requires that financial records be kept for 6 complete years only. The Department of Public Works has made no grants for works in the constituency of Roberval between April 1, 1969 and December 31, 1975.

2. Not applicable.

LRC TRAINS

Question No. 4,077—**Mr. Gillies:**

Are there currently negotiations under way between the government and the American rail corporation Amtrak with reference to the possible purchase by the latter Corporation of light, rapid and comfortable (LRC) trains and, if not, will they begin in the near future?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The joint venture companies responsible for development of the LRC train have been in contact with Amtrak and will respond to a request for quotation when this is issued by Amtrak in the near future. The government is encouraging and supporting the joint venture in its efforts to sell LRC equipment to Amtrak but the government is not directly participating in the negotiations.

MAN-HOURS LOST BY LANGUAGE TRAINING IN PUBLIC SERVICE

Question No. 4,079—**Mr. Elzinga:**

In each department, by province, how many employable man-hours were lost for language training in the Public Service for (a) English (b) French language training for (i) 1970 (ii) 1971 (iii) 1972 (iv) 1973 (v) 1974 (vi) 1975?

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): I am informed by the Public Service Commission as follows: During the years in question, 1970 to 1975, many different methods of language training have been used in the public service. These have included full-time and part-time training. Part-time training for an individual student may vary from a few hours a week up to 250 hours a year, and over a period of two to three years. Given this variety of methods and periods of training, the commission has not kept statistical records of individual man-hours involved; nor could it answer for the departments and agencies which engage in additional training on their own initiative. An attempt to answer this question would require a large amount of work and considerable cost by all of the departments and agencies of the public

service, and it is unlikely to produce results that would be statistically valid.

STATISTICS CANADA—FRENCH LANGUAGE UNITS

Question No. 4,084—**Mr. Baker (Grenville-Carleton):**

1. How many employees are there in the census processing division of Statistics Canada?

2. What section of the division has been designated as units working in French under the Phase II Programme?

3. How many persons are employed in each section within the designated unit?

4. What is the number of persons in each designated unit who are (a) unilingual French speaking (b) French speaking bilingual (c) English speaking bilingual (d) unilingual English speaking?

5. What criteria were used to establish which unit or units within the section would become a bilingual unit working in French?

6. In terms of the service that the unit was to provide to the public of Canada what, if any, were the complaints received from the public as to language usage for the period January 1, 1974 to January 1, 1976?

7. Was there any unit within the section on January 1, 1976 incapable of providing services to the Canadian public in both official languages?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as Statistics Canada is concerned: 1. There are 119 employees in the census processing division of Statistics Canada.

2. To date, no departmental unit has been formally designated as a unit working in French. Current proposals now under discussion with bargaining agents would have the division as a whole identified as a unit working in French.

3. Name	No. of Employees
Spatial Systems	60
Retrieval	47
Edit & Imputation	5
Quality Assurance	2
Future Systems	1
Administration	4
	119

4.	(a) Unilingual French	(b) Bilingual French	(c) Unilingual English	(d) Bilingual English	Total
Spatial Systems	11	17	29	3	60
Retrieval	2	10	30	5	47
Edit & Imputation	—	2	2	1	5
Quality Assurance	—	—	—	2	2
Future Systems	—	—	1	—	1
Administration	—	1	2	1	4
	13	30	64	12	119

5. The criteria used to establish the census processing division as a unit working in French are described in Treasury Board circular No. 1975-111 (Section B) dated September 25, 1975. In particular, it contributed to the requirement that 10 per cent of the encumbered positions in the National Capital Region complement at the departmental level be maintained in units working in French by specific categories. It also complied with the hierarchical reporting structure set out in the circular.

[Miss Campbell (South Western Nova).]

6. There were no complaints received from the public as to language usage for the period January 1, 1974 to January 1, 1976.

7. While the spatial systems section has contact with the public and can give service in both official languages, the contacts of the remaining sections of the division tend to be mostly with other departmental units.

COMPANY TAKEOVERS

Question No. 4,100—**Mr. Nystrom:**

1. In the takeover of Gilron Holdings Limited of Scarborough, Ontario, by Roboserve Limited of London, England, what percentage of control will Roboserve Limited acquire?

2. What is the total and/or per share price of the transaction, including the value of share transfers or other considerations?

3. Who were the principal shareholders of Gilron Holdings Limited and what control, if any, will they retain in the company?

4. Who are the principal shareholders of Roboserve Limited and what are their holdings in the company?

5. Does Roboserve Limited control and/or partially own, directly or indirectly, any other businesses in Canada and, if so, in each case, what are the holdings by per cent of control and value?

6. What will be the effect of the takeover on (a) the level and nature of economic activity in Canada (b) resource processing in Canada (c) utilization of parts, components, materials and services produced in Canada (d) exports from Canada (e) productivity, industrial efficiency, technological development, product innovation and product variety in Canada (f) competition within any industry or industries in Canada (g) employment within Gilron Holdings Limited and within the industry?

7. (a) How many persons did Gilron Holdings Limited employ before the takeover (b) how many are presently employed?

8. (a) What are the unions, if any, who represented the employees (b) did they approve or disapprove of the takeover (c) was their opinion sought?

9. What is the degree and significance of participation by Canadians in the business enterprise or new business and in any industry or industries in Canada of which the business enterprise or new business forms or will form?

10. How is the takeover (a) compatible (b) incompatible with national industrial and economic policies, taking into consideration industrial and economic policy objectives of any province likely to be affected by the takeover?

11. What is the significant benefit to Canada of the takeover?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): See reply to question No. 3,954 answered on March 2, 1976.

COMPANY TAKEOVERS

Question No. 4,101—**Mr. Nystrom:**

1. In the takeover of Pacific Inland Resources Ltd., of Smithers, British Columbia, by West Fraser Timber Co. Ltd., of Vancouver, British Columbia, what percentage of control will West Fraser Timber Co. Ltd. acquire?

2. What is the total and/or per share price of the transaction, including the value of share transfers or other considerations?

3. Who were the principal shareholders of Pacific Inland Resources Ltd. and what control, if any, will they retain in the company?

4. Who are the principal shareholders of West Fraser Timber Co. Ltd. and what are their holdings in the company?

5. Does West Fraser Timber Co. Ltd. control and/or partially own, directly or indirectly, any other businesses in Canada and, if so, in each case, what are the holdings by per cent of control and value?

6. What will be the effect of the takeover on (a) the level and nature of economic activity in Canada (b) resource processing in Canada (c) utilization of parts, components, materials and services produced in Canada (d) exports from Canada (e) productivity, industrial efficiency, technological development, product innovation and product variety in Canada (f) competition within any industry or industries in Canada (g) employment within Pacific Inland Resources Ltd. and within the industry?

7. (a) How many persons did Pacific Inland Resources Ltd. employ before the takeover (b) how many are presently employed?

8. (a) What are the unions, if any, who represented the employees (b) did they approve or disapprove of the takeover (c) was their opinion sought?

9. What is the degree and significance of participation by Canadians in the business enterprise or new business and in any industry or industries in Canada of which the business enterprise or new business forms or will form?

10. How is the takeover (a) compatible (b) incompatible with national industrial and economic policies, taking into consideration industrial and economic policy objectives of any province likely to be affected by the takeover?

11. What is the significant benefit to Canada of the takeover?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): See reply to question No. 3,954 answered on March 2, 1976.

COMPANY TAKEOVERS

Question No. 4,140—**Mr. Nystrom:**

1. In the takeover of United Dental Supply Corp. of Montreal, wholly owned by Sybron, Inc. of Rochester, N.Y. by Dental Depot (Canada) Ltd. of Montreal, wholly owned by Healthco Inc. of Boston, Massachusetts what percentage of control will Dental Depot-Healthco Inc. acquire?

2. What is the total and/or per share price of the transaction, including the value of share transfers or other considerations?

3. Who were the principal shareholders of Sybron, Inc. and what control, if any, will they retain in the company?

4. Who are the principal shareholders of Healthco Inc. and what are their holdings in the company?

5. Does Healthco Inc. or Sybron, Inc. control and/or partially own, directly or indirectly, any other businesses in Canada and, if so, in each case, what are the holdings by per cent of control and value?

6. What will be the effect of the takeover on (a) the level and nature of economic activity in Canada (b) resource processing in Canada (c) utilization of parts, components, materials and services produced in Canada (d) exports from Canada (e) productivity, industrial efficiency, technological development, product innovation and product variety in Canada (f) competition within any industry or industries in Canada (g) employment within United Dental Supply and within the industry?

7. (a) How many persons did United Dental Supply employ before the takeover (b) how many are presently employed?

8. (a) What are the unions, if any, who represented the employees (b) did they approve or disapprove of the takeover (c) was their opinion sought?

9. What is the degree and significance of participation by Canadians in the business enterprise or new business and in any industry or industries in Canada of which the business enterprise or new business forms or will form?

10. How is the takeover (a) compatible (b) incompatible with national industrial and economic policies, taking into consideration industrial and economic policy objectives of any province likely to be affected by the takeover?

11. What is the significant benefit to Canada of the takeover?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): See reply to question No. 3,954 answered on March 2, 1976.

Measures Against Crime

COMPANY TAKEOVERS

Question No. 4,141—**Mr. Nystrom:**

1. In the takeover of Japan Oil Sands Co. Primrose Ltd. of Calgary, Alberta by Japan Oil Sands Company Ltd. of Tokyo, Japan what percentage of control will Japan Oil Sands Co. Ltd. of Tokyo acquire?

2. What is the total and/or per share price of the transaction, including the value of share transfers or other considerations?

3. Who were the principal shareholders of Japan Oil Sands Co. Primrose Ltd. of Calgary and what control, if any, will they retain in the company?

4. Who are the principal shareholders of Japan Oil Sands Co. Ltd. of Tokyo and what are their holdings in the company?

5. Does Japan Oil Sands or Japan Oil Sands Primrose control and/or partially own, directly or indirectly, any other businesses in Canada and, if so, in each case, what are the holdings by per cent of control and value?

6. What will be the effect of the takeover on (a) the level and nature of economic activity in Canada (b) resource processing in Canada (c) utilization of parts, components, materials and services produced in Canada (d) exports from Canada (e) productivity, industrial efficiency, technological development, product innovation and product variety in Canada (f) competition within any industry or industries in Canada (g) employment within Japan Oil Sands Primrose Ltd. of Calgary and within the industry?

7. (a) How many persons did Japan Oil Sands Co. Primrose Ltd. of Calgary employ before the takeover (b) how many are presently employed?

8. (a) What are the unions, if any, who represented the employees (b) did they approve or disapprove of the takeover (c) was their opinion sought?

9. What is the degree and significance of participation by Canadians in the business enterprise or new business and in any industry or industries in Canada of which the business enterprise or new business forms or will form?

10. How is the takeover (a) compatible (b) incompatible with national industrial and economic policies, taking into consideration industrial and economic policy objectives of any province likely to be affected by the takeover?

11. What is the significant benefit to Canada of the takeover?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): See reply to question No. 3,954 answered on March 2, 1976.

GOVERNMENT ORDERS

[*English*]

CRIMINAL LAW AMENDMENT ACT (NO. 1), 1976

MEASURES FOR BETTER PROTECTION OF CANADIAN SOCIETY AGAINST CRIME

The House resumed, from Tuesday, March 9, consideration of the motion of Mr. Basford that Bill C-83, for the better protection of Canadian society against perpetrators of violence and other crime, be read the second time and referred to the Standing Committee of Justice and Legal Affairs.

Mr. John Gilbert (Broadview): Mr. Speaker, on Tuesday evening, prior to the adjournment, I outlined my general criticisms on the shortcomings of Bill C-83. I also made some observations about the problem of violence in today's society. Then I made comments on the first of the five areas which are covered by the bill—and the first one was

gun control. I said that I welcomed the legislation with regard to gun control because it sets forth the general principle that the availability of guns should be controlled, that we should promote public responsibility in the use of firearms, and that the penalties should be increased for persons who commit indictable offences while carrying firearms. There are six or seven proposals with regard to gun legislation, and I support most of them. I support licensing for a five-year period rather than registration of guns, the fitness test and in addition the two guarantors with regard to fitness. I also ask that we include a competency test because I feel no person should have a gun unless he is competent to use it.

The proposal of issuing special permits with conditions attached to persons between 14 and 18 years of age and also of requiring guarantors, one of which should be a parent, is a good move. The special provision for persons under 18 using firearms to provide food for their families in areas where hunting and fishing are a way of life is a good change, and the registration of restricted weapons which is now going to be expanded with regard to short firearms is a good change. The test of need to be applied is also welcomed.

The increased responsibility on dealers and importers of firearms and ammunition to record sales and ensure safety of storage is a move in the right direction. Seizure of firearms by the police in situations where possession constitutes a potential danger to the lives and safety of others is an excellent move because of the problems we have had with regard to domestic quarrels within families. Increased penalties to person carrying firearms during the commission of an offence is something which will be accepted by most people.

In addition to the observations I made last Tuesday evening, I should like to point out a criticism which was conveyed to me by my colleague, the hon. member for Timiskaming (Mr. Peters), who has had discussions with gun store operators. Out of those discussions has come a good suggestion, and that is to have gun stores solely and completely responsible for the sale, purchase and repair of guns. There is an analogy in the liquor stores in Ontario where beer and alcohol are sold, and I think that analogy should apply with regard to guns, because there is something wrong when guns are made available for sale in department and hardware stores. If we are going to control the sale, importation and repair of guns, it should be exclusively within the control of gun stores which would be able to issue licences, make sales and record those sales. That would make this process much easier.

● (1540)

Finally, Mr. Speaker, it seems to me that the gun control legislation provides a reasonable balance between public concern for safety and the legitimate use of firearms by persons interested in hunting, target-shooting or gun collecting; therefore, I will support that section of the bill.

I notice the minister is now taking his seat, and I want to direct my criticism to the Minister of Justice (Mr. Basford). I am terribly disappointed with the Minister of Justice and the Solicitor General (Mr. Allmand) with regard to the provision concerning electronic surveillance or wiretapping contained in Bill C-83. It is a complete surrender by the Minister of Justice to the police. It is an abrogation of and failure to maintain the strong civil liberties approach which members of the Conservative party and the New Democratic Party fought for when the bill was presented and passed in 1974.

It is necessary to maintain a balance between the possible police abuse of electronic surveillance and the protection of civil liberties. When I heard the minister say that there is an approach by the opposition with regard to coddling criminals concerning electronic surveillance, it seemed to me he was drawing a red herring into the debate and not taking account of the basic principle of civil liberties and the possible abuse by police of the use of electronic surveillance. We in the opposition are not soft on criminals but we are strong on civil rights and persons who live in Canadian society.

There are four areas of concern with regard to the amendments that the minister has set forth. First, the area of the intercepts is to be expanded from some selected, indictable offences to all indictable offences and to a pattern of behaviour constituting criminal activity. Mr. Speaker, if you knew how hard we fought to contain the government with regard to the selection of indictable offences you would appreciate how strongly we are opposed to that expansion. With regard to the extension of the authorizations from 30 days to 60 days and the extension of renewals from 30 days to 60 days, I do not think we have much objection to that. I have none, personally.

The third area is with regard to the repeal of the notification procedure within 90 days of the termination of the tap. We find this most unacceptable. We also have objections to derivative evidence admissible on an illegal tap. The reason we disagree with these three areas is that the principle of the right to privacy has been rendered ineffectual and meaningless by this legislation. To reward the police for attempting to illegally obtain evidence is to downgrade the judicial process.

Mr. Speaker, I never thought I would see the day when I would seek to persuade the Minister of Justice to follow the United States rule with regard to wiretaps where evidence obtained on an illegal tap is admissible in court. Here we have a complete abrogation of a fundamental principle by the Minister of Justice and the Solicitor General. May I remind Your Honour, and the minister, of the evidence given to a committee by Ramsey Clarke, former attorney general of the United States, the man who worked with Senator Kennedy on the crime commission, the man who had a strong job to convince Senator Kennedy of some of the pitfalls of wiretapping. In the final analysis, Senator Kennedy was persuaded of the dangers of the practice. In substance, in his appearance before the committee Ramsey Clarke said that wiretapping is enormously expensive, it is wasteful of police time and talent, it is inefficient, it is ineffective on street-corner crime, and it is erosive of police dignity.

Why do we support that general proposition put forward by the former attorney general of the United States which I am sure would have had the support of Senator Kennedy? All you have to do, Mr. Speaker, is look at the reports submitted to the Minister of Justice and the Solicitor General concerning the wiretaps that took place in 1975. In 1975, under section 178.12 and 178.15 of the Criminal Code,

564 taps were applied for by the police. Of these, 563 were granted and one was denied. The average time of these taps was 54.1 days, and the number of charges arising from the 563 days was 18. Mr. Speaker, I noticed that the Minister of Justice and the Solicitor General were very careful to say that only 18 charges were preferred against people, not how many convictions were obtained. I am sure it would be far less than 18. With regard to the security taps by the Solicitor General—and this is where the figures become very striking—there were 465 in 1975, each taking an average of 239.7 days. But not one charge was laid. Is it any wonder that Ramsey Clarke said it is expensive, it is inefficient, it is ineffective and it is erosive of police dignity? There are other methods of detection for some of the problems we have today. Ramsey Clarke and others have suggested special strike forces and the use of informers. These have been far more successful than the approach we are taking under these amendments.

I am not the least bit impressed by the Solicitor General and the Minister of Justice saying they are not able to get at organized crime, that they are not able to get at the "untouchables". By using electronic surveillance methods they will never be able to get at the top group in organized crime. What they need is other methods of surveillance which will strengthen their approach and their ability to arrest. With regard to dangerous offenders, I think it would be fair to say we have learned from experience the two major mistakes concerning habitual offenders and the dangerous sexual offenders provisions in the present legislation. There was a lack of uniformity in the application of the law. There was a gap with regard to the question of violence of some of the acts of offenders. The Klippert case in the Supreme Court of Canada underlined the question of lack of violence.

We now have a new definition, with "dangerous offenders" replacing "habitual offenders". The new definition emphasizes violence with regard to an indictable offence where there is a pattern of behaviour shown not only of violence in the particular crime but violence in other crimes. There is also another application concerning sexual offenders and the pattern of behaviour with regard to lack of control of sexual impulses. I draw to the attention of the Minister of Justice that he is following the Ouimet report is some aspects but he is not following the definition. I think the definition proposed by the Ouimet report is probably better than the definition set forth in the amendment. At page 258, the Ouimet report reads:

> Dangerous offender means an offender who has been convicted of an offence specified in this part of the Criminal Code who by reason of character disorder, emotional disorder, mental disorder or defect constitutes a continuing danger and who is likely to kill, inflict serious bodily injury, endanger life, inflict severe psychological damage or otherwise seriously endanger the personal safety of others.

● (1550)

I submit that we should study the expanded definition given by the Ouimet report. The Ouimet report makes other important and interesting recommendations. For instance, before a dangerous offender is sentenced to an indeterminate sentence, he should be directed to a place where diagnosis and, if necessary, a cure can be undertaken. He should be there not more than six months. After that period of treatment there would at least be evidence about the serious problem affecting that person. Therefore, before we pass this law we should study what we are to do with those in custody. I support the diagnostic and cure approach. Before a person is declared a dangerous offender he should be sent to a centre where his condition can be determined and, if necessary, treated.

The bill requires certain other things to be done in the case of dangerous offenders. It requires, in certain circumstances, the consent of the attorney general; it requires expert evidence of psyschologists and others to be given at trial; it makes provisions with respect to the right of appeal, and the necessity of review by the National Parole Board prior to the termination of three years of the sentence and every two years thereafter. That approach is good. I hope the government will pay heed to my observations.

May I say a word about parole. Most of us agree that statutory parole should be abolished and that parole should be based on earned remission. The maximum penalty for prison escape should be increased from five to ten years, and the membership of the Parole Board should be increased from 19 to 26. Therefore, the provisions of the bill dealing with these matters are welcomed. We do not object to the government's position as set out in the "The Highlights of the Peace and Security Program," page 7. I quote from the pamphlet as follows:

> Some procedural safeguards will be introduced into parole hearings to ensure that the process by which the board reaches its decisions will meet the expectations of natural justice. These will include assistance to the applicant, further information to the applicant and stated reason for refusal of parole.

One cannot object to such procedural safeguards which would correct shortcomings. I draw particular attention to the last sentence of the paragraph just quoted, which reads:

> These will be defined in regulations and will be *phased* in over a period of several years.

Why will the government take several years? Considering the number of prisoners who have escaped recently, and the problems we have encountered with parole, why will the Solicitor General not implement such regulations immediately? When the committee studies the bill, why can it not also study the regulations? If we are to maintain law and order—which is the aim of this bill—and make our parole system better, we must devise the very best procedures. Good parole procedures are a necessity. As it is likely that passage of this bill will result in more convictions and longer sentences, it is incumbent upon the Solicitor General and the Minister of Justice to make certain that our parole system meets at least some of the conditions set out in the government pamphlet.

I now turn to special crime inquiries. Not many will complain about legislation permitting provinces to set up special commissions to inquire, when it is deemed necessary, into crime and criminal organizations. I am talking of organizations which may not be uncovered with ordinary investigative procedures. I suppose the latest crime commission in Quebec is responsible for this provision. I notice that some of the amendments to do with special crime commissions protect individuals who may appear before the commissions or whose names may be mentioned although the individuals themselves may not appear before the commissions. These are good amendments.

When the hon. member for Calgary North (Mr. Woolliams) congratulated the Quebec crime commission because its work resulted in charges and convictions after bad meat had been sold in Quebec, I realized how our police are hampered by present investigative methods. Why should the police need to go on a witch hunt before they can lay charges in cases where offenders sell bad meat? This shows what has happened in Quebec with regard to the detection of crime. We must strengthen preventive measures and measures leading to the detection of crime. Frankly, I do not think we will accomplish much by appointing special crime commissions.

My party generally supports the legislation, although we do not think it should pass lightly. We do not appreciate the approach of the Minister of Justice to electronic surveillance, and we do not entirely agree with the approach of the Solicitor General to parole. Nevertheless, we recognize the necessity for preventive measures, for better detection and for the treatment of certain individuals.

I end by referring to the speech which the Minister of Justice made a week ago to the Second Commonwealth Caribbean-Canadian Law Conference. As he said the Galilean carpenter said we should never hide our light under a bushel: we should let our light shine so that all men can see our good works. The great Galilean carpenter also said that he came not to abolish the law but to bring perfection. When I consider the actions of the government, including the actions of the Minister of Justice and of the Solicitor General, when I consider what has been done about poverty, housing, employment and our other problems, I realize that the light of the Minister of Justice and of the Solicitor General is dim: they are far from attaining perfection.

Mr. Allmand: Perhaps the hon. member is suggesting I will go to Hull!

Mr. Art Lee (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I rise to enter this debate regarding Bill C-83 because of its importance to me as an urban representative of the city of Vancouver. I am very well aware that the peace and security package will not solve all the problems or the causes of crime. Other hon. members, like the hon. member for Broadview (Mr. Gilbert), have dealt very ably and adequately with the sociological causes of crime and the role of the criminal legal system as an institution in the pluralistic, democratic system that we have in Canada. Suffice it to say that the solution to crime will not be answered by simplistic answers or slogans.

As a representative from the city of Vancouver, I am very familiar with the complaints levelled at the criminal judicial system. To a large extent, these complaints are reactions to spectacular crimes which have occurred in my city and elsewhere in Canada. I am informed by Inspector Cummings of the Vancouver city police that the east end of the city has a higher rate of violent crime than other areas. For the year 1974, violent crime in the federal riding of Vancouver East disclosed the following statistics: homicide, murders and attempts, 15. With regard to sexual assaults, male or female there were, 49, and rape and attempts, 26. That totals 75. Assaults on the police were 50; bodily harm and wounding, 352, for a total of 402. Robberies, strong-arming, 404; armed hold-up, 103, for a total of 507. The total in this category is 999.

● (1600)

For the first six months of 1975 violent crime for the federal riding of Vancouver East disclosed the following statistics: homicide, murders and attempts, 9; sexual assault, male or female, 23; rape and attempts, 13; total 36. Assault, police, 27; bodily harm and wounding, 162; total 189. Robberies, strong-arming, 243; armed hold-up, 44; total 287. The total in this category is 521. By reading the total statistics for the city of Vancouver, hon. members will see that the east end of the city is subjected to a high rate of violent crime. For the year 1974, violent crime for the city of Vancouver disclosed the following statistics: homicide, murders and attempts, 52; sexual assault, male or female, 251; rape and attempts, 136; total 387. Assault, police, 100; bodily harm and wounding, 937; total 1,037. Robberies, strong arming, 919; armed hold-up, 510; total 1,429. The total in this category is 2,905. During the first six months of 1975, violent crime for the city of Vancouver disclosed the following statistics: homicide, murders and attempts, total 24; sexual assault, male or female, 129; rape and attempts, 56; total 185. Assault on police, 59; bodily harm and wounding, 476; total 535. Robberies, strong-arming, 436; armed holdups, 276; total 712. The total in this category is 1,456.

What these statistics mean, Mr. Speaker, is that women in my riding are afraid to walk the streets or to park their automobiles in underground parking lots. What these statistics mean is that in my riding, my city and other areas of Canada, there is an aura of insecurity for one's property and one's life and a sense of frustration by many law-abiding citizens that our criminal legal system cares too little about the victim and coddles the criminal. These statistics also represent the unnecessary waste of human life.

Recently, in Vancouver, there was a shooting. The scenario was like a story that could be taken from the plethora of police television programs that we are being inundated with day after day. A man troubled by his inability to participate in our economic system threatens action against his former employer. Threats not being enough, he visits his former employer with a .30-06 rifle. Doreen Garbutt happens to be in his way, and she is "wasted." She becomes a statistic, one of those who will be a number under the category of "homicide and attempts" for the city of Vancouver for 1976. Although I and my colleagues in this House did not know Doreen personally, I feel that we would share with her parents and her friend, Jeffrey, in asking, "Why Doreen?" Another friend of Doreen's, Jack Wasserman, a columnist for the Vancouver *Sun*, expressed it better than I could. I quote:

> Up until shortly before noon on Friday, I'd planned to get back to the regular column grind by explaining an absence of two days, and saying how I loved my mother, who died on Wednesday. She'd been out of it for nearly five years, and death was merciful. And then a guy with a .30-06 walked into an office on Fourth Avenue and wasted a friend of mine.
>
> Death comes close to home twice in one week. And you accept it in the way it comes, once with a sigh of relief, because it is an end to suffering, and once with a deep feeling of loss because the victim is young and vital and just happened to be in the way of a bullet that exploded inside her and snuffed out the life of someone who had never done anything to anyone, except give love.

There is a higher entity, they say, who figures out all these things, and there is an order to the universe. No capital letter. Just a ridiculous sense of inadequacy, trying to find the right words that will give consolation to the friends who have lost a loved one in a meaningless act of violence.

Doreen Garbutt was my friend, and she was my friend, Jeffrey's friend for nine years. She was a woman of talent, humour, warmth, and also, incidentally, a woman of great beauty. Please forgive the chauvinism. She had native Indian blood, and such was the grossness of our society that she hadn't quite come to terms with that part of herself. Given time, which was not to be her destiny, she would have accepted and reveled in her roots, but it was still something to work out when we last talked.

By now you recognize that Doreen's death is not an abstraction for me. I hate to say it, but it's not an abstraction for most of you either. Doreen is someone you've seen in your own homes, on television, as a key part of the annual Variety Club Telethon. Each year, she was the pretty lady who posted the totals on the telethon board. Hit the fanfare, Dal. And Doreen would take down the numbers and post the new total. She wasn't there this year, because she was home with the flu, but for the eight years previous she was the one on whom all eyes focused during the Variety Club's annual fund-raising gig. In fact, she'd been off work for a couple of weeks and only came back to her job the day before yesterday.

And while she was home in her apartment, worrying about her inability to participate once more, there was this guy sitting in a furnished room on the other side of town, nagging himself into the tank because, in his view, he was not being allowed to participate in the system.

I didn't know him, but there is evidence to indicate that he'd worked himself into a state of mind whereby an act of violence could make everything right. There is no evidence that he ever painted a picture, as Doreen had done. Just that he bought a gun, and a scope, and a 100 rounds of ammunition, and a gas mask and a jumpsuit.

He, too, might have been dead, if the special weapons officer who had him in his sights had received the order to press the trigger. Not that it would have mattered, because Doreen was already dead.

When you're in this kind of business, that's what life is all about. Death. And shattered dreams. My mother was 75, which isn't all that great an age. She was young and vital, too, until she was 69. Without even trying, or tinting her hair, she always looked 20 years younger than her age. And then she took ill and she looked 20 year older than her age. She withered up and died and we buried her.

Doreen didn't have time to wither. She was snuffed out in the midst of life. Her friends and her family were cheated of her continuing presence in their lives. Perhaps it was preordained somewhere. Perhaps she even knew it. She would talk about certain heavy things that left you with the feeling that she had a premonition that her life would be short. It wasn't that she was self-destructive. On the contrary. But she had this feeling. And she and Jeffrey often discussed what would happen when they died.

So that was my week. Rabbi Marvin Hier conducted the service for my mother, and he told the story from Talmud of the man who went to the Great Sage and asked a dumb question. The Great Sage refused to answer and the dummy pressed him.

And finally the Great Sage explained that all of life is a matter of questions. It is not important to find the answers for most of the questions that occur to us.

It is important to be able to live with the questions and accept the fact that there are no simple answers. In fact, there may not be any kind of answers. For Doreen's friends and family, there is one question for which not even the Great Sage has an answer—the question is, "Why?"

● (1610)

I will not pretend to have the answer to the question, "Why Doreen?", for other people wiser than I cannot answer it either. What I can say as a comment is that maybe the proposed provisions regarding gun control could have prevented the unnecessary "wasting" of Doreen. That is, in essence the more salient purpose of the peace and security program. I ask those critics, some hon. members in this chamber, and in particular rod and gun clubs, to think about Doreen when they denounce the gun control provisions of the peace and security program. It is a matter of prevention, not a matter of denying the use of firearms by legitimate users thereof. It is a matter of licensing legitimate users of firearms, not the registration of their firearms.

As a part of the program and the commitment of the government to peace and security, Bill C-83 is of great assistance in waging war against crime, an enemy that provokes hatred, suspicion, the unnecessary and inexplicable harm to human life, and even death. It is not my intention to speak on all the provisions of Bill C-83, as other members have done so ably. My intention is to speak on a problem I have spoken on before, namely, the matter of hard drugs. Undoubtedly, Mr. Speaker, the proposed amendments to the wiretap provisions will greatly assist our investigative forces in bringing to trial those individuals engaged in the illicit trafficking of hard drugs. However, what the bill fails to recognize is the cause of most of the violent crime in Vancouver or, for that matter in Canada, namely, the use of hard drugs. I say this not as a criticism of the Minister of Justice (Mr. Basford), but suggest that action be taken now or within the near future to deal with a matter that I know he is deeply and compassionately concerned about.

The immensity of the hard drug problem in my city and province was related to the House by me during debate on Bill C-71, particularly in relation to the amendments to the Bail Reform Act. I should draw the attention of all hon. members to the fact that it was due to the Minister of Justice's appreciation of the problem that he amended the law, placing the onus of proof on individuals charged with trafficking when applying for bail. What I shall deal with now is the fact that between 60 per cent and 70 per cent of all property crime in Vancouver is attributable to drug addicts. I quote from the second report on organized crime in British Columbia, issued by the department of the attorney general:

> Criminal activity still remains a major source of revenue for the heroin addict, who frequently engages in drug trafficking, prostitution, theft, shoplifting, breaking and entering, and robberies. In a recent Vancouver police department study of the 196 robberies committed in Vancouver between August 10 and September 20, 1975, it was found that, of 56 people arrested, 33, or 59 per cent, where known heroin addicts. Another crime that has increased noticeably is contract killing.

This report continues, at page 71:

> In 1975, there have been nine murders directly associated with the illicit drug trade. There is no real explanation for this increase over recent years, but it may be significant that it has corresponded with an increase in the effectiveness of enforcement agencies and a reduction in the supply of good quality heroin. The murders may be the final result of the pressures which have been applied inside the organization by the lack of good heroin, and on the outside by the police. It has been reported that several of the murders are the results of "rip-offs", and have been committed as an act of enforcement, or as a warning to other people who might disrupt the trade from within. It is possible that the organizations are feeling the pressure from poor quality supplies and, because of the large numbers of recent seizures, perhaps suspect members of the drug trade of being informers. It may be that, if police pressure continues to be effective, the number of drug-related murders will continue to increase, for organizations will become distrustful of each other and eventually attempt to reorganize the trade.

Although I congratulate our law investigators for the major drug busts in Vancouver, the result has been a limitation of supply, driving the price up and causing old addicts to commit more crimes to obtain more money to support their habit. What, then, may be required if we are to reduce the level of crime attributable to heroin addicts in Vancouver is a measure of forced treatment of these users. This would take these addicts off the streets so they would not be in a position to commit more crimes. Such a system of forced treatment has worked with success in Japan. To cut off the demand, the government of Japan required that every user caught be confined for at least 30 days of treatment. The result has been that in Japan the use of heroin as a medical problem has become as scarce as smallpox. In fact, we have in our laws a similar system of forced treatment, although not as draconian as the Japanese system.

● (1620)

Part II of the Narcotic Control Act provides for the preventive detention and custody for treatment of addicts who have had previous convictions. However, these provisions are not used because they were not proclaimed. In my investigation of the reasons why such provisions were not proclaimed, I have found that the provisions were not clear because of doubts about the constitutional validity of the provisions or the failure to develop suitable treatment methods and facilities, or later reservations as to the advisability of compulsory treatment in principle, or some combination thereof.

Given the successful results in Japan which may, or may not be applicable to Canada because of different cultural background, I strongly urge my colleagues, particularly the hon. member for New Westminster (Mr. Leggatt), on the Standing Committee on Justice and Legal Affairs to examine in detail this matter of forced treatment of addicts. During such examination members of the Standing Committee of Justice and Legal Affairs will find that the LeDain commission, in its final report into the non-medical use of drugs recommended temporary, involuntary commitment. I quote from this report:

> While we do not see how, as a practical matter, we can withdraw at this time from the use of the criminal law against the user of opiate narcotics, we are not in favour of introducing long periods of civil commitment. We do not believe that the results obtained elsewhere with this approach justify the extended deprivation of liberty in cases in which there has not been a criminal conviction. We do believe, however, that there is a strong case to be made for the use of compulsory confinement for a short time to oblige the opiate dependent to confront his situation and to consider, in an atmosphere in which he is free from the pressures of "hustling" in the illicit market and has access to good diagnosis and advice, whether he desires to pursue one of the treatment or management options open to him.
>
> We recommend that provincial legislation confer power on police officers to bring any person whom they have reasonable and probable grounds for believing to be dependent on opiate narcotics before a magistrate, in order that it may be determined, upon prima facie evidence, whether the person should be committed to custody for medical examination for a period up to seventy-two hours. If the person is found to be drug-dependent, the examining physician and another physician who confirms the diagnosis should have power to commit the person to a residential treatment facility for a period of not less than one month and not more than three months. The purpose of such confinement would be to permit further examination and observation of the drug-dependent person, to permit him to confront his situation and to consider the various treatment or management options open to him, and to afford an opportunity for a commencement of treatment including extended detoxification, the technique of the therapeutic community or stabilization on methadone maintenance. The chief purpose would be to acquaint the patient with the possibilities of treatment, to encourage him to decide in favour of some course of treatment, and to begin the treatment process. If, at the end of the stipulated period, the patient refuses to follow a course of treatment he should be discharged. The period of residential confinement would also afford an opportunity for advice and assistance with other problems having a bearing on the patient's drug use. The residential facility should have access to the necessary counselling personnel to assist with problems of social rehabilitation.

[Mr. Lee.]

In closing, Mr. Speaker, I would like to make it very clear that in my opinion the forced treatment of addicts might help reduce the level of crime attributable to them. I think the adoption of such a system after careful examination by the Standing Committee on Justice and Legal Affairs may well be a step in the right direction in eliminating one of the major causes of crime, namely, hard drugs.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, with the introduction of Bill C-83, the abolition of Bill C-84 and calling both bills together peace and security legislation, the government continues its record of putting together piecemeal legislation to calm irate public opinion. One need only look at the economic policies of the present administration. The Canadian people were, and continue to be, dissatisfied with the ever-increasing rate of inflation, so the government threw together a package in the hope of changing public opinion in their favour. The anti-inflation propaganda did not work, and neither will their public relations effort on crime.

In the past several weeks I have received a very considerable amount of correspondence from my constituents on crime. The consensus is that the government has been responsible for creating an atmosphere that makes it easy for criminals. The laws of a nation are respected only if the government enforces them. This government has for nearly a decade given the impression it is easy on criminals, and now the people are reacting. Any government that would try to lull people into believing it can reverse the crime rate by a slick public relations job is guilty of a sinister hoax. The time has come for leadership in facing this cancer on our society.

Now that the government is feeling the pressure of an annoyed public, I believe their dismal performance in law enforcement bears repeating. There was a time when the conviction of criminals was within the aims of the law and we were not so lenient. That is no longer the case. The Canadian criminal justice system has been drastically weakened, and the spiral has continued to the point where fewer and fewer criminals are being jailed or made to feel the punishment of the laws, they have broken. Parole and probation policies have become far too lenient, restrictions have been placed upon the law enforcement officers, and one need not look far to find the culprit. The government must take the responsibility for creating this lax approach to the law. Criminals and potential criminals are very aware that a permissive society has been encouraged by this administration, and there should be little wonder why crime is escalating. Criminals operate on the way they interpret the odds of getting caught, punished, and so on. With this government in office, they have been given encouragement.

It is generally accepted that the role of government is to give leadership in the best interests of the public. When a government fails to give the quality of leadership necessary in any aspect of society, where are the people to turn? That is the sad state in which we find ourselves with this government's approach to crime. It has failed to give leadership and now expects us to believe that its peace and security legislation will solve the problem. The law abiding citizens of our country deserve more than that. How can any government that has been lenient in its approach to law enforcement expect legislation such as gun control suddenly to stop the increasing crime rates?

● (1630)

Gun-related crimes have been steadily increasing. Consequently, the problem of gun control has become an emotional issue and has led many astray from the real problems at hand. There are those who would have us believe that there is a significant relationship between strict gun control laws and gun-related crime. Without getting into a statistical war, I should like to suggest, based on various studies, that unless there are other crime deterrents, crimes carried out with guns do not significantly drop. Canada, for example, has what are accepted to be very tight laws with regard to handguns. Yet in 1973 there were 56 persons murdered with handguns, and another 71 victims in 1974.

A criminal will obtain weapons regardless of laws. Most owners of firearms in this country are law-abiding people. They are equally concerned about crime. Though it is a simplistic statement, let us remember that crime will not be stopped by the elimination of guns. In the many letters I have received from avid sportsmen, fish and game associations, gun collectors, and concerned citizens, the overriding point has been that concrete and positive steps must be taken to decrease gun crimes, but that it must be done in a manner that will protect society and at the same time really reverse the climbing gun crime rate.

Putting aside for a few moments the argument as to whether gun control will stop crime, I would like to expand upon the question my colleague from Calgary North (Mr. Woolliams) raised in the House with regard to the administration of gun control. With over six million guns in this country, one begins to wonder if this government does indeed have a system that will not create an unmanageable bureaucracy. The question has to be raised concerning how much this will cost the Canadian taxpayers and, furthermore, how effective it will be. The government is consistent on this subject: it failed to give answers on its anti-inflation program, and will continue to do so on its gun control program.

Even with its proposed licensing of guns, the government is not being very specific. The suggestion is that a licence will only be issued if certain criteria are met, such as records and statements. No provisions are made, however, for gun safety, competency testing, and so on. These are necessary if the government really means what it says. Then, again, maybe this government will be satisfied with a half-hearted program.

The Trudeau government is straying away from the real problem, which is: How do we effectively reduce the commission of gun-related crimes? Canada's gun laws are already restrictive. So it is the crime rate with which we must concern ourselves. Most law-abiding people favour some sort of controls, because this will assist in the war against crime. But, again, there is more to the issue. I feel we have a moral responsibility to the Canadian public to make a concerted effort to hinder crime.

I, for one, am not in favour of a grab-bag of gun control proposals that will not effectively deal with crime. That is why I support the motion of my colleague, the member for Calgary North, in moving that Bill C-83 be not now read the second time but that the subject matter thereof be referred to the Standing Committee on Justice and Legal Affairs. Like the hundreds of people who have taken the time to write me, I feel that now, more than ever, we must come up with a law enforcement package that will protect society from criminals. It is not fair to ask parliament to consider a piecemeal effort. Responsibility is the only approach we can take if Canadians are to be guaranteed a true sense of law and order.

Many positive proposals have been put forward by those who have an interest in guns and their relation to crime. I should like to discuss with this House some of those ideas. It is generally felt that regulation of the criminal use of firearms should be in a manner that does not infringe upon the rights of law-abiding citizens. This government has not given satisfactory answers on how it proposes to do that. Many people are calling for stricter enforcement of the law in respect of gun crimes. This government has not given assurances that this will be the case—and we want the answer. There are those who feel that safety courses should be conducted. This government has not given any satisfactory answers in this regard. The fact of the matter is that there are just too many unanswered questions. This parliament should be very careful in allowing such a piece of legislation to pass unaltered. This government owes the Canadian people some answers. There is no choice but that this bill should be referred to the Standing Committee on Justice and Legal Affairs.

Crime can no longer go uncontrolled in this country. Many people have been hurt by this government's persistent efforts to be lenient on the criminal element. When I first sought election to this House, I did so because of my personal belief that parliament is the one body that can set the direction of this country and that the tone it sets affects all of society. My belief has been strengthened; but I have also learned that a government can inflict negative effects upon society. That has been the record of this government on crime. In their brief on gun control, the Canadian chiefs of police said:

A fuller evaluation and assessment of many more points of view reveal a rationale that some "control" is desirable.

I believe most of us would accept that concept, but it must not be forgotten that controls alone will not be the solution. It is an impossible task to outline every comment and proposal for new gun legislation by every individual and interest group. However, a few shorter statements and suggestions on gun legislation are worth noting. The majority of gun control proponents favour mandatory terms for crimes involving firearms. The Ontario Association of Chiefs of Police lists as one of its main proposals a mandatory jail term of three years for crimes involving firearms. Contrary to rifle associations, they have called

for the compulsory registration of all firearms. The association also proposes that the purchaser of a firearm would have to have a government certificate to purchase a gun and this permit would have to be carried whenever the gun was in use. Failure to do so would mean a mandatory sentence of one year.

A former Ontario attorney general also studied a series of measures to tighten the offensive weapons section of the Criminal Code. He says that Ontario is considering the licensing of outlets or salesmen of guns, the introduction of a "cooling-off" period of 48 hours or more from the time of application of purchase of a weapon, the banning of the sale or possession of semi-automatic weapons, and an increase from the minimum age of 16 years for the purchase of a rifle or a shotgun.

The Canadian Wildlife Federation is opposed to the compulsory registration of rifles and shotguns because it does not believe this would reduce the number of murders with guns. The Canadian Association of Chiefs of Police notes that before any legislation of gun control is introduced the administration of that legislation must be given first priority. If any new system could not be operated feasibly, it should be scrapped and we should remain with the legislation that currently exists. The Canadian Wildlife Federation's paper outlines very well the administrative costs of registration of all firearms.

Last summer The Canadian Institute of Public Opinion conducted a national poll, questioning whether the Canadian public favoured or opposed the registration of all firearms. Nationally, 83 per cent favoured the registration of all firearms, while only 13 per cent opposed such registration. It is interesting to note that there was widespread agreement respecting compulsory registration among all socioeconomic and language groups. In the United States, where the crime rate is increasing at a far greater rate than in Canada, only 67 per cent supported registration of all firearms.

Although in the U.S. the House judicial subcommittee hearings on crime are still taking place, President Ford has proposed some specific gun control legislation. President Ford's main proposal would set mandatory prison sentences for armed criminals who commit violent crimes under federal jurisdiction and would compensate victims of such crimes for losses as high as $50,000. But under U.S. law, mandatory sentences would not affect such persons as murderers and rapists unless the crime was committed on federal property. Such crimes can seldom be attacked by the federal government because most are violations of state or local laws. Consequently, Ford has asked state and local governments to follow suit in respect of jail terms. Other options submitted by the Ford administration would tighten the restrictions concerning the licensing of gun dealers and would ban the manufacture and sale of cheap handguns known as Saturday night specials.

● (1640)

The issue of firearms' ownership is an emotional and ambiguous one. Research into the problem is limited, and when available it is prejudicial and interpreted to advance the cause either for or against stricter gun control. There is little doubt that some form of stricter gun control will provide the means for an effective attack on crime. But

[Mr. McKenzie.]

there is more to the issue than just the registration or non-registration of all firearms. Mass ownership may aid in the commission of violent crimes, but it is seriously questionable whether it actually causes them. Since most murders involving firearms take place in a domestic environment, it is doubtful whether compulsory registration would reduce crimes or violence by way of this medium. The fundamental causes of increasing violence go much deeper than simply the ownership of firearms. The increase in violent crimes in Canada has caused many people to drastically rearrange their lives.

The Conservative party does not want a grab-bag of gun control proposals that will not lend themselves to a sharply focused campaign for public support. Efforts to regulate the criminal use of firearms must be carried out with justice and fairness in order not to infringe upon the rights of law-abiding citizens. Any legislation respecting gun control must primarily concern itself with the rights of the people it exists to protect. The Conservative party supports the concept of mandatory sentences for crimes involving the use of firearms. At present, sentencing is erratic and inconsistent and therefore provides little deterrence to offenders. More financial and technical assistance should be provided to all levels of police forces, thereby enhancing their ability to enforce the law.

I should also like to point out that nearly every country with high homicide rates has gun laws which, for the average citizen, can be considered confiscatory or prohibitive, particularly with regard to the handling of guns. The availability of firearms has no bearing on the murder rate. Murder will be committed by whatever means are available. Just this week I received a letter from a prison guard in a Canadian federal penitentiary in which he stated:

> I wish to point out that being associated with the criminal element for 40 hours a week, I have been able to get their reaction to the gun law as it is being presented for a vote.
>
> Frankly, they think of it as more of a joke than gun owners do. They have told me that there is no legislation that can prevent them from acquiring weapons. One in particular volunteered to get me a 38 revolver for the mere sum of $46, much less than I would pay through legal channels.

The answer to all of this is that there must be heavy penalties for anyone selling or buying small handguns illegally. Harassment, or making things difficult for gun collectors and legitimate hunters or sportsmen, is not the answer to Canada's crime problems. Earlier in my remarks I pointed out that the government must take the responsibility for the present criminal attitudes and, indeed, share the blame for the rise in crime. I should like to stress that I do not feel comfortable about the fact that this government has tried to make political hay with Bill C-83. I am relieved that the government realizes that the public is fed up with criminals and wants action; but I am saddened that, instead of action and leadership, all we get is a piecemeal effort. Crime should not be a political issue. Far too many law-abiding and innocent citizens have suffered. We can only hope that in the weeks ahead a more positive bill will emerge from this parliament.

[*Translation*]

Mr. Armand Caouette (Villeneuve): Mr. Speaker, it is not with pleasure that I take part in this debate on Bill C-83. I would like it a lot more if the government had not introduced this useless legislation and instead put before

legislation to solve the serious economic problems facing all Canadians.

I think, Mr. Speaker, that all Canadians understood at first glance that the government is trying to have the people forget about the real problems—which are of an economic nature—by introducing bills on firearm controls. It is true that Canadians are concerned about the dramatic increase in the crime rate but it is also true that people do not believe firearm controls to be a serious solution. I will have an opportunity to demonstrate later on in my remarks that honest citizens are the only ones inconvenienced by this control. In fact, knowing the famous peace and security program which the government introduced a few days and which is aimed at abolishing capital punishment while controlling firearms, one comes to wonder whether the Minister of Justice (Mr. Basford) thinks that firearms are dangerous, not criminals. Already, Mr. Speaker, I had an opportunity to point out the absurd consequences of that approach, and it can be expected that one day the Minister of Justice will introduce a bill to throw firearms in jail while keeping criminals on the loose. Tackling inanimate objects and making them responsible for human acts by criminals and loathsome assassins is what this same government is proposing today. I do not think that firearms can kill by themselves. When did you see a revolver walking down the street? In my opinion, it does not move by itself. To punish it for acts of individuals who want to violate the law is absolutely ridiculous. Yet that is what the Minister of Justice is proposing today.

As I pointed out earlier, the victims of firearm controls are honest citizens, game hunters, sportsmen who will have to comply with those controls while criminals continue to do what they have always done—disobey the law.

Mr. Speaker, again today I received a telegram from the Abitibi East Regional Wildlife Council. That association of honest and law-abiding citizens refuses to accept the line of thinking of the government with respect to firearm controls. I would like to quote that telegram, Mr. Speaker.

Asking for your opposition to Basford-Allmand bill regarding firearm controls. Illogical bill. Punishes and inconveniences good citizens. Law should deal with real criminals, not peaceful citizens.

● (1650)

Mr. Speaker, I represent an area where hunting is a common activity for the large majority of the people. In the northwest of the province of Quebec, we have huge forests and many species of game. Then, it is not surprising if the people of my area and my riding are hunters. They are honest and law-abiding citizens. They have rifles, shotguns, but they always obeyed the law and acted like good citizens.

Mr. Speaker, the main effect of the bill before us will be to penalize these citizens, to prevent them from practicing their favorite sport freely and without restriction. A popular slogan says: Firearms control disarms honest citizens and only criminals will be armed.

However, Mr. Speaker, it is true that this government is trying to restrict firearms possession for honest citizens through Bill C-83 but it means that criminals will be the only ones with arms.

Criminals are happy with this bill. Not only they will not be disturbed by the law, but furthermore they will be sure that their potential victims will be disarmed.

Mr. Speaker, even if this bill for firearms control is not to make us believe that the Minister of Justice is a particularly clever man, I do not think that the minister is naive enough to believe that when his bill is passed, criminals will wait in line to have their firearms registered.

Mr. Fox: Mr. Speaker, does the hon. member allow me a question?

Mr. Deputy Speaker: He might do it only with the consent of the hon. member and—

Mr. Caouette (Villeneuve): I regret, Mr. Speaker, but I did not understand—

Mr. Fox: I asked the hon. member if he would allow me to ask him a question. I wonder whether the hon. member could tell us how the bill now before us will prevent hunters from owning firearms? How could it oblige them to get rid of their firearms since no provision in this legislation would compel them to do so. It is only a matter of asking them to obtain a license that would be valid for five years.

Mr. Caouette (Villeneuve): Mr. Speaker, I wish the hon. member would come to my office and I will show him what hunting and fishing associations think of this legislation.

As I said earlier, the main effect of the bill before us would be to punish our citizens and prevent them from practicing their favourite sport freely and without restraint.

Let us try to imagine for one moment a situation in which a guy about to hold up a bank or commit murder says to himself: I forgot to register my gun. I will have to postpone my murder until tomorrow. Otherwise, the Minister of Justice will be angry. I do not think that this will happen when the legislation is enacted. And yet this is the impression one gets when reading the legislation put forward by the Minister of Justice. The minister knows as well as we do that it is useless and nonsense to have honest citizens register their firearms, and yet he wants us to approve a legislation to control firearms.

An hon. Member: Would the hon. member permit a question?

Mr. Caouette (Villeneuve): Later, the question.

Mr. Speaker, we believe the minister thinks or tries to make people think that criminals are stupid enough to register their firearms to please him.

As members of the Social Credit Party, we cannot accept such insignificant reasoning and the people from the northwest and from the rest of Canada will not accept it more than we do.

Mr. Speaker, I have received dozens of letters about the bill which we are dealing with today from all areas of the riding that I represent in the House. I have just quoted a telegram which was sent to me by the Abitibi East Regional Wildlife Council. I have received very interesting letters and briefs from hunting and fishing clubs of all areas of

my riding. These people, from what I see, are honest and respectable citizens. All of them without exception are opposed to the bill as I am, because it has been drafted by people who never set a foot in a forest or who have never been hunting in their life. They would probably see no difference between a telephone pole and a pine tree. And yet, Mr. Speaker, those very individuals who know nothing about hunting want to make laws to prevent sportsmen and people who like forests from practicing their favorite sports, something these people would like to be able to do without being harassed by a bunch of officials busily trying to see to it that only criminals have weapons.

I want the minister to know this: People in northwestern Quebec and all other areas of Canada do not like Bill C-83. They reject its false solutions. They refuse to be treated like criminals and will not let this useless if not dangerous bill restrict their freedom to have in their possession guns for hunting and target shooting.

If the minister is not completely deaf and blind, he must realize that the great majority of Canadians are opposed to this bill on gun control. He showed this a first time by trying to hide these control provisions in an omnibus bill which was introduced a few years ago and which proposed longer sentences for dangerous criminals, which everyone wants except the criminals themselves.

The minister seems to think that he will be able to mislead people freely by hiding gun control in a series of popular measures. His violent opposition to the amendment suggested by the hon. member for Calgary North (Mr. Woolliams) to divide the bill so as to allow members to vote for certain provisions without having to approve gun control is another manoeuvre which shows that the minister really knows that gun control is as unpopular as it is useless.

What is even more serious concerning gun control, Mr. Speaker, is that people in my area and other rural areas where nearly everyone hunts will be penalized because of the lack of understanding of public servants and people who live in cities and do not understand the use of owning guns and rifles for hunting.

As the representative of the constituency of Villeveuve, where the great majority of people own guns for hunting, it is my duty, Mr. Speaker, to tell the minister that he is making a serious mistake and taking clearly unjust action by penalizing in this way whole groups of honest citizens while criminals will always be able to find prohibited weapons like machine guns even if these weapons are supposed to be controlled.

Mr. Speaker, the bill now before us will penalize honest citizens instead of criminals. If the minister wants proof of what I say, I could give him loads of it, as I was telling the hon. member earlier.

[Mr. Caouette (Villeneuve).]

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It being five o'clock, it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment this evening are as follows: the hon. member for Wetaskiwin (Mr. Schellenberger)—Transport—Request that departmental contracts specify use of Canadian ceramics; the hon. member for Dartmouth-Halifax East (Mr. Forrestall)—National Defence—Possible closure of bases in Nova Scotia—Request for consultation with provincial authorities.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions for papers. However, I understand that there is agreement that all notices of motions will stand at the present time, which leads us to further consideration of private members' bills, which would return for consideration private bill S-30 which was before the House for consideration one week ago today at this time. Is that understood and agreed?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): It is understood.

PRIVATE BILLS

[*English*]

CONTINENTAL BANK OF CANADA

The House resumed, from Thursday, March 4, consideration of Bill S-30, to incorporate Continental Bank of Canada, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Speaker: Before turning the discussion to the consideration of motion No. 1 in the name of the hon. member for Waterloo-Cambridge (Mr. Saltsman) a week ago, discussion was closed by the hon. member for Edmonton West (Mr. Lambert) arguing a point of order in respect of motion No. 1 in the name of the hon. member for Waterloo-Cambridge in that on the one hand it constituted an expanded negative or, on the other hand, if acceptable, it ran contrary to the provisions of the Bank Act.

● (1700)

The motion would propose the deletion of subclause (2) of clause 2. It is therefore certainly within the procedural definition of this kind of motion at this stage. It cannot, therefore, be viewed, in the eye of the Chair, as an expanded negative. Notwithstanding the argument, it might have the effect in this instance of establishing powers and principles which would contravene the provisions of the Bank Act.

The fact of the matter is, it is the area of the private members' bill to propose legislative enactment by this House which relieves individuals from the operations of existing statutes. An example is bills to relieve operations of the Criminal Code with respect to penalties and jail terms vis-à-vis persons imprisoned under the general law. It has been held that if it is the effect of a bill to exempt an individual from the operation of the general law, it is a proper subject matter for a private right and public bill. Since this is a private bill, one would have to make the corollary, if it does establish an exemption with respect to the general law, that it must be taken to be within the purview of a private bill.

Whether that is a desirable objective is a matter for debate and division. After extensive discussion and consideration, I think that motion No. 1 ought to be put and considered for discussion and division forthwith.

It is moved by the hon. member for Waterloo-Cambridge (Mr. Saltsman), seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

Motion No. 1.

February 25, 1976—That Bill S-30, to incorporate Continental Bank of Canada, be amended in clause 2 by striking out lines 23 to 30 at page 1 and lines 1 to 3 at page 2.

Is it the pleasure of the House to adopt the said motion?

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I should like to preface my remarks on the specific amendment by putting it in perspective and outlining my party's position on the matter. Our position on the bill itself and the reason for this amendment, and the others, is that we do not believe that the conversion is clearly in the public interest. There are many unanswered questions. There are questions about whether a conversion of this type will create a tax shelter, not only for IAC as it moves into the Continental Bank but whether by setting the precedent it will also create a tax shelter for other chartered banks which, I am quite certain, will seek the same kind of opportunities that this bill affords to IAC.

The figures show what this tax shelter would represent by way of housing, depreciation allowance, etc. Witnesses before the committee indicated that the shelter effect might be from $40 million to $60 million for IAC for the ten-year period of the transition of one to the other. But in the case of the chartered banks we may be looking at half a billion dollars if this is extended to cover them. The committee received argument that this is not possible. Yet the argument of the tax shelter came from a very reputable group, Equipment Lessors Association who represent some of the biggest financial institutions in Canada and the United States. Their tax consultants and lawyers appeared before the committee to speak of this strong possibility.

I recognize that the brief of the Equipment Lessors Association was self-serving and that they did not want IAC to become a stronger competitor by becoming a bank. I could read the long list of members of the association. It would look like the "Who's Who" of the leasing and financial institutions in this country, but I believe it has to be taken seriously. We should look at it carefully before passing a bill of this kind.

Certain questions arose in the course of the committee examination about public disclosure. Because of the special nature of the transition from a finance company to a bank, there is not going to be the same kind of public disclosure of the assets of the operation of the Continental Bank that now applies to banks in general. This has become one of the exemptions being sought in this bill. We will have an opportunity to talk of that particular exemption later, in another motion. I simply want to point out that important considerations are involved here beyond doing a favour for a good corporate citizen.

What this clause deals with very specifically is the question of interlocking directors. The clause that we are seeking to amend would knock out that section which says that provisional directors of the Continental Bank all have to hold a certain number of shares in IAC. A technical amendment was made to this bill in committee which had the same effect as the reading of the bill at the moment, but the point is that one of the provisions of the Bank Act is to avoid interlocking directors. For a brief time there are obviously going to be interlocking directors.

There is also some question of how much insider information was going out. At a fortuitous moment, Carena Bancorp bought something over 19 per cent of the stock of IAC. It may have been accidental or fortuitous, but it is interesting how the whole thing interlocks.

One of the arguments put forward by the sponsors of the bill is that we need more banking competition in this country. If we do—and I am not at all sure we do have that kind of competition—it is obvious it is a very cozy-cozy kind of competition. I wish I could be sure these people never talk to each other. If we look at the directors and major officers of IAC, these are the people the clause we are seeking to amend refers to, and if not these people specifically, then other major shareholders of IAC. Let me go down the list: Lyndon E. Nichol, now a director, formerly chairman; director of Ultramar, which is holding company for Golden Eagle Ltd., oil refiner and marketer in eastern Canada; K. H. MacDonald, chairman, director of Uniroyal, Zellers; J. S. Land, president, director of Canborough Corp., Premier Property Ltd; Ronald L. Cliff, adviser, National Trust.

There are something like the representatives of eight chartered banks on this particular board. Then we have F. M. Covert, director of Petrofina, Royal Bank, National Sea Products, Standard Brands, Trizec, Sun Life; J. S. Dewar, president of Union Carbide, director of Manufacturers Life, Toronto Dominion Bank; C. F. Harrington, chairman, Royal Trust, director of Redpath Industries, Domco, trustee BM-RT Realty Investments, jointly owned by Bank of Montreal, Royal Trust; Peter Kilburn, chairman of Greenshields, director of Zellers, Sicard, Inc; David Kinnear, vice-chairman, Bank of Montreal, director of Canadian Pacific Ltd., T. Eaton Co., and a number of Eaton-related companies; L. A. Lapointe, director of Brascan, Goodyear Tire and Rubber, Hilton of Canada, Rio Algom, Toronto Dominion Bank, Trizec;

You will notice how frequently Trizec keeps coming up. Also we have Paul Paré, president, chief executive officer of Imasco Ltd., formerly Imperial Tobacco, director of Canadian Pacific Ltd., Canron, Royal Bank; Charles I. Rathgeb, president of Comstock International Ltd., director of Algoma Steel, Canadair, Royal Bank; Renault St. Laurent, chairman of Canadian Breweries, director of

Banque Canadienne Nationale, Sicard, Anglo Canadian Pulp and Paper, Imperial Life, Scott Paper, Home Oil, Rothmans of Pall Mall, and son of Louis St. Laurent who was a director of IAC.

● (1710)

Then we have D. K. Yorath, vice chairman, IU International Ltd., director of Montreal Trust. IU International Ltd. is the new name for a hugh American utility company which owns Canadian Utilities Ltd., Alberta Power, Yukon Electric and a number of other power companies. Also, D. W. Maloney, director of a number of IAC affiliates; Harold Corrigan, president Alcan Canada, director of a number of other Alcan associated companies and current president of Canadian Manufacturers Association; J. C. Thackray, executive vice president of Bell Canada and director of Bank of Montreal, Union Carbide; Peter F. Bronfman, president of Edper Investments, chairman Canadian Arena Company, director of Trizec; E. J. Courtois, director of the Bank of Nova Scotia, Brinco, Canada Life, Trizec; president of Canadian Arena Co.

The committees of both places were concerned about one question: Was insider information given? We were assured over and over again in committee that the purchases were made by Carena Bancorp, without inside knowledge. Apparently nobody anticipated that IAC would try to convert itself into a bank. We are asked to believe that this large investment, involving almost one-fifth of the shares of a large company, was not made on the basis of inside information, that is, information that IAC would try to convert itself to Continental Bank of Canada. We know that someone inside the corporation had been thinking of this move for a long time, perhaps three years. Yet apparently no information was given to the directors before the announcement was made to them. Under the company's charter, an announcement of that kind to the directors apparently had to be made public. Well, we are asked to believe that the directors had no prior knowledge and that there was no discussion among them. It takes a lot of believing. It may be so. That question, among others, I want to examine.

The ultimate holding company involved in this complex seems to be Edper Investments, which holds Carena Bancorp, which in turn holds both Canadian Arena Co. and a roughly 20 per cent share in IAC Ltd. as well as a number of other investments. As well as Peter Bronfman, mentioned previously, the other major interest in Edper-Carena is Edward Bronfman who is chairman of Edper and a director of Canadian Arena Co. and of Trizec.

There are a number of connections between IAC and Carena Bancorp. For instance, E. J. Courtois has been a long-time director of Trizec, of the Bank of Nova Scotia, Brinco, Canada Life, and so on. Others involved with IAC are also on the board of Trizec. Yet we are asked to believe that no insider information was given, that shares were bought on the open market without prior knowledge that IAC would try to convert itself into Continental Bank of Canada and take advantage of all benefits available to banks.

Mr. Speaker, there is a coziness here which disturbs me. It may not be against the law, but when people say they want to establish another bank and compete it is pertinent

to ask, what kind of competition are they talking about? Are they talking about deals to be made on the golf course, or similar kinds of business deals and competition? We need clear evidence that this conversion is in the national interest. In the absence of any clear evidence we must look at how corporate arrangements are made. We need to know a lot more about this deal.

Mr. Woolliams: Mr. Speaker, would the hon. member permit a question?

Mr. Saltsman: Mr. Speaker, not at the moment, if the hon. member does not mind. I would be glad to receive his question when I have concluded my initial remarks. As I said, we are concerned about unanswered questions. We want to know about the question of tax shelter, of public disclosure, about interlocking directives, about the possibility of insider information, and so on.

A serious question is at issue. If the bill were to pass it would anticipate the legislative decision parliament should properly make in revising the Bank Act when a full examination of the future of banking and financial institutions can be made. The Bank Act is reviewed every so often, and I understand the next review will be next year. This bill provides for exemptions which negate the Bank Act. If the bill passes, you might as well say the Bank Act does not exist. I know that certain agreements have been reached with the powers that be. I do not suppose the company is doing anything illegal. I do not suggest for a moment that it is. Nor am I trying to say anything about IAC shares. But we wonder who exactly is interested in this IAC conversion. We have embarked on many long discussions in committee. I have talked privately with the IAC people and with the sponsor of the bill who has been a good advocate on their behalf, and I realize that we cannot take this matter lightly.

Here is a large, important Canadian company coming to parliament and asking for something to be done on its behalf. Let me say that we would like to help. We are not refusing to help; that is not our attitude. We should like to be persuaded of the worthiness of their cause so that we can accommodate them. We are open to any argument any hon. member may want to put forward. We know the importance of what we are doing. We are not doing it casually, and we are not delaying anything. My colleagues and I have discussed this among ourselves and we are persuaded that there must be a fight on this question. As I say, we will listen to arguments, and if someone makes an argument showing that this conversion is in the national interest we will look at it. Let me say this: it is the strategy of the government to let the opposition talk itself out. Well, we will not talk ourselves out. We will need to be persuaded out, if I may put it that way, so hon. members might as well get up and say what they must say either in defence of or against the bill.

The Bank Act must be revised. It is significant that not one of the chartered banks appeared before the committee to say, "We do not want another competitor" or, "We think there is something wrong with what is going on." There was a conspiracy of silence. Not all committee members have been so silent. This matter is something of a precedent. We must consider the Bank Act and the implications of the Bank Act. As I say, if this bill passes in its present

form there will, in effect, have been a revision of the Bank Act. That, exactly, is what will have happened. I suggest that one cannot lightly pass a bill whose effect will involve a revision of the Bank Act.

We should not pass a bill of this importance so lightly. It has not been given more than cursory attention by a committee of this House. A few witnesses were called. There were hearings and meetings in the Senate, and I believe there were four references in the debates of the other place to this question. There were few committee hearings into a bill of such complex and enormous implications. There were some hearings in the House of Commons committee. Nevertheless, not one of us would dream of amending the Bank Act in this manner. You cannot, by hearing a few witnesses and saying, "Yes, we know all about it; we understand the situation exactly", amend the Bank Act by passing this bill. Interestingly enough, there are two senators who in fact are directors of banks: Senator Molson and Senator Desruisseaux.

● (1720)

An hon. Member: Only two?

Mr. Saltsman: Those are the only two on the committee. There may be others; we did not look into that. The point is that both these senators declared in committee their conflict of interest and said they could not vote on the bill. Nevertheless, they did not consider it a conflict of interest to say it was a very good idea that the IAC conversion into the Continental Bank go ahead. What strikes me about this whole thing is the coziness. For instance, Senator Macnaughton went out of his way, whenever questions were raised, to say, "We have to get this through as these boys are in a hurry." When we held it up, he indicated solicitude by asking how much time we needed. He emphasized that the thing was to get it pushed through. If it were a minor bill being dealt with in the face of some national emergency or some compelling interest, I would not be reluctant to see it expedited through this House. There is no reason to argue against that. However, it is a bill that raises all kinds of questions. There are more unanswered questions than questions that have been answered. It should not go through without serious consideration on the part of the House of Commons.

I see that Your Honour is about ready to remind me how the clock works. I appreciate that hint. I have other things I would like to say, but I am sure my colleagues will be only too happy to enlarge on them. There was a question being directed to me. I would appreciate it if Your Honour would permit that question.

Mr. Deputy Speaker: That could be done with unanimous consent. Does the House agree to the hon. member for Calgary North (Mr. Woolliams) asking a question even though the hon. member's time is completed?

Some hon. Members: Agreed.

Mr. Woolliams: Mr. Speaker, I was not on the committee, as was the hon. member. The only thing I did was read the brief. Therefore, I am asking this question to solicit information. As I take it, in the transition from IAC to the Continental Bank, the problem of transition, which is sometimes normal when there is an amalgamation of trust companies—and I have had some experience in this—is that they are trying to keep the same directors for the bank as with IAC, and that is why they have had to have this change in certain sections. If IAC were ready to compromise and waive that, would the hon. member then see things in a different light?

Mr. Saltsman: It would certainly improve the light, Mr. Speaker, but there are a lot of other questions. We have ten amendments, so this is not our only objection. The hon. member is quite correct. It is a question of what kind of assets you transfer. Two general kinds of assets are now held by IAC. Some are eligible assets for a bank to hold, and some are ineligible assets. The question of an amendment to the Bank Act arises in permitting the ineligible assets to be transferred to Continental Bank and dissipated or used up over a period of ten years. Although they will not all be used up over that period, it is anticipated they can use enough to at least make it manageable at the end of that ten-year period. This is what the chartered banks have been asking us for a long time—the right to hold and to deal in these kinds of ineligible assets. This is the kind of thing the Bank Act has refused to give them. This is more properly the province of other financial institutions.

Our concern is simply this: if we grant this sanction to the IAC—and, admittedly, IAC has no real, practical way of transforming these present assets into a bank without this special agreement—where does that leave us with regard to the Bank Act? The banks would say we did the right thing with IAC—in fact, they are saying it now—and surely we could do the right thing for them. We will have created—this will be confirmed at a later date—a precedent that will be looked upon by everyone in the industry. Certain competitors of IAC see it that way. The quietness of the banks, their unwillingness to say anything at all except indirectly, as they did in the other House and in a private capacity, is a clear indication there would be great joy in the boardrooms of the banking institutions if this bill passes.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, like the hon. member for Calgary North (Mr. Woolliams), I will try to be brief because I would very much like to see the bill proceed through this reading to enactment. I want to reflect upon the observations of the hon. member for Waterloo-Cambridge (Mr. Saltsman) that this is not a bill which they are prepared to let be talked out. They intend to carry on the debate as long as they feel it is necessary for their purposes. What I want to do, in very brief compass, is appeal to the sense of fairness of the hon. members of the New Democratic Party.

The hon. member for Waterloo-Cambridge took a considerable amount of his time today to develop the allegations that there may have been some advance knowledge by certain shareholder groups about the bank application. I am not familiar with the details of the structure of the company. However, I listened to what he said and listened to the allegations which are very serious and which might at least give rights to the vendors of the interest that he referred to to have their sales set aside and reacquire the shares and perhaps rights under the provincial securities legislation. But, after laying all that out, he then indicated he is not questioning the propriety of it.

I attended a couple of the committee meetings. As a result of the questions that were asked and the forthright replies that were given, I took it that this House ought to be satisfied there is no impropriety relating to acquisition of the shares in question. I very much regret hearing the hon. member referring to the issue again. I was surprised at the end of it to hear him say that is not an issue as far as he is concerned.

I want only to make three points. I think it is totally unfair to hold up the bill on the basis of these three points. First, he stated that there was a failure of the government or of this parliament to enact a general procedure for the incorporation of banks. We have had such a bill kicking around for a long time. It is regrettable that the bill has not yet been brought into law. If it had been, this whole procedure might well be unnecessary, although there are a lot of aspects of this incorporation which would be looked at in the course of reincorporation. They would have been looked at in some other way if that bill had been brought forward.

I want to argue that the NDP, if anyone, should know how scarce the time of this parliament is, how important it is that we try to organize our time better and that all sides of the House try to co-operate with that objective so that it would be possible to get more legislation considered in this chamber. Certainly, if we had other rules an allocation of time or a better spirit of co-operation among all parties it might well have been possible to have had that banking bill made law by now. In any event, I argue that it is totally unfair for these applicants to be made the whipping-boy for the failure of parliament to deal with that legislation and make it law.

Second, the hon. member raised some objections, which I share, with regard to members of the Senate serving as bank directors. In the case of the banking group which is before us, if what he says is true—and I do not question it—there are some senators who will be directors of the new bank. That may well be agreed to be improper, but there are other banks which have senators as directors.

Mr. Saltsman: Mr. Speaker, I rise on a point of order. If I left that impression, I should correct it. The two Senators I referred to were not directly involved in the IAC conversion, and in fairness to them I should point that out. They are involved in the banking industry generally, so I am sorry if I left the other impression.

● (1730)

Mr. Kaplan: I accept, of course, the hon. member's statement, but in view of what he says I think his criticism is even more unfair. We have before us innocent applicants who do not include Senators, and they are being made the whipping boy for a standard of conduct by Senators to which the NDP, or at least the hon. member, objects. I do not think it is fair that an application which is otherwise valid should be held up and debate prolonged because some other standard ought to be imposed in the other place governing the conduct of Senators. I would urge the hon. member to withdraw his objection to this application on that ground.

Finally, Mr. Speaker, I would argue that he is using this application as a whipping boy for the whole capitalist system. He does not believe it is in the public interest as a whole for banks "to do their thing," if I can put it that way, and participate in the market place in a way they consider to be in their own interests. We believe that the public interest is served by private corporations operating toward private objectives. He may have a great many complaints about the banking system in Canada and about whether the banks work well for us, but he has not said anything to indicate that this bank will work in any worse way than the others.

If the hon. member has an objection to the banking system it should not be used to prevent a new bank from coming on the scene and participating as a bank in the market place. If our banks have not served Canada well, that certainly is not something that should be laid at the doorstep of IAC and the new Continental Bank which hopefully is to be shortly incorporated.

For my part, although I think the banking system has flaws, it is an industry that is constantly under review by government and is reviewed every ten years by parliament. On the whole I think Canadians have good reason to be proud of their banks and the role they play in the development of our country. If he has objections to them, again I urge the hon. member not to use those objections as a means of preventing this particular worth-while application from proceeding.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we have before us a proposal to permit establishment of a new bank to join the banks we already have in our country. This application comes at a very interesting time. I am not surprised that some new group wants to get part of the action because bank profits have been rising very sharply, by anywhere from 25 to 50 per cent per year, over the past three or four years. Last week in fact the Toronto *Globe and Mail* reported that bank profits for the previous quarter had increased by 35 per cent over the same period a year earlier.

It is somewhat ironic, to put it mildly, that the newspaper reports which indicated that bank profits for that quarter were up by 35 per cent also indicated that this, what I consider to be massive increase in profits, was within the guidelines established by the Anti-Inflation Board.

The Government of Canada is proposing, and parliament is approving, legislation that restricts the increase in wages and salaries which most citizens in Canada will be able to receive, which interferes with the free collective bargaining system as we have known it. The legislation, in effect, says to any group of workers that they may not get an increase in wages in 1976 of more than 10 per cent over what they received in 1975 except under very special circumstances, which have never really been spelt out by the government in the law or regulations, or in any kind of detail by the Anti-Inflation Board.

In the city of Winnipeg the transit workers are on strike. These workers run the buses upon which so many people depend; workers need them to go to work and senior citizens depend on them to visit friends and relatives. These workers have been on strike for over 7 weeks because the city of Winnipeg has said that its interpretation of the Anti-Inflation Board ruling is that these transit

workers cannot receive more than a 9.5 per cent wage increase. Indeed the city of Winnipeg will not even agree to let a higher proposal go to the Anti-Inflation Board for a ruling. Yet the banks had an increase in profits during the last quarter of 35 per cent over the same period in 1974, and this is within the guidelines set by the Anti-Inflation Board. I am therefore not surprised that we have an application from a group that wants to establish a new bank. I am only surprised that we do not have more applications. Why should not a group of well to do citizens in Canada want to get in on what is obviously a very lucrative kind of enterprise?

The question we have to ask ourselves is not whether this is good business for this particular group of directors and shareholders of IAC. Unlike the hon. member for York Centre (Mr. Kaplan) who has just spoken, who obviously follows the precept of the famous—or rather infamous—Charlie Wilson of the United States, who on one occasion said that what is good for General Motors is good for the country, we believe that what is good for IAC is not necessarily good for the people of Canada. We want to know what the benefits will be to the people of Canada from this new bank before we approve its establishment.

Similarly I should like to believe that the owners of IAC will at least have to live by the same rules and laws as all other banks, in accordance with the Bank Act. I see no reason to hurry this, Mr. Speaker. I do not believe that the people of Canada will be at all harmed if this matter stands over. If the directors and shareholders of IAC cannot qualify as a bank under the present regulations set out in the Bank Act, then I think representations should be made on their behalf when the Bank Act undergoes its regular revision which takes place every ten years, and which I think is due in 1977.

As I say, I do not believe there will be much harm done to the ordinary people of this country if IAC has to wait until 1977 when perhaps its directors will be able to persuade—and they may be right—the majority of the members of this parliament that the Bank Act as we know it at present should be revised so that IAC, a financial corporation, is able under the regular standard provisions of the act to change its organization and become the Continental Bank, a bank that will need no special consideration or exemptions from the parliament of Canada.

● (1740)

I cannot accept the suggestion by the hon. member for York Centre that we ought to pass a bill which was designed substantially to meet the needs, not of the people of Canada, but of the shareholders and the directors of IAC.

The purpose of this bill is to establish a new bank which will be able to take all the assets and operations of IAC Limited, with some exceptions, and operate them as a bank. One of the problems which IAC is currently having is that, because it is not a bank, the leverage on its money, the multiple of its assets that it can loan out to customers, or more simply, the number of times it can turn over its money in the form of loans and mortgages, is much lower than that of the chartered banks.

Normally trust companies, according to the testimony before the Commons finance committee, achieve a leverage ratio of about 6 to 1. IAC, because it is the largest Canadian controlled finance company, with huge assets and a reputation for careful management, has been able to achieve a leverage ratio of some 7 to 1 on its money. This is considered high for such financial institutions, but it is much lower than the chartered banks achieve: they are in the range of 25-35 to 1. This is because of the prestige involved in the status of chartered banks, and also because the chartered banks are more closely watched and more closely regulated by the Bank Act than are some other financial institutions. So there is a lot of money involved, all other things being equal, in being a chartered bank.

Basically, then, IAC has grown as big as it is likely to get unless it is allowed to convert itself into a bank. In recent years, since the Bank Act revisions of 1967, the banks have been growing faster than other types of financial institutions. Figures prepared by Statistics Canada indicate that the banks have outstripped all other financial institutions in terms of asset growth and consumer loans.

Looking at the annual average growth rates for the years between 1964 and 1974 we see that the chartered banks showed an annual growth rate of 17.5 per cent; credit unions, 17.3 per cent; trust companies, 15.9 per cent; mortgage loan companies, 13.6 per cent; trustee pension funds, 12.4 per cent; fire and casualty companies, 11.2 per cent; sales finance and consumer loan companies, 10.9 per cent; and life insurance companies, 8.2 per cent.

In an area of particular significance to IAC—consumer credit—the growth of the banks has been even greater. This is illustrated by the figures for the years between 1964 and 1974 where the percentage increase has been as follows: chartered banks, 19.8 per cent; credit unions, 14.6 per cent; retail dealers, 7 per cent; sales finance and consumer loan companies, 4.5 per cent. In other words the banks had an average annual growth of almost twice as much as the average for all business institutions. It is no wonder the directors of IAC would like to convert that corporation into a bank.

One of the advantages the banks have is that they are deposit-taking institutions. They can bring in money at relatively small interest rates and loan it out at an interest rate that brings them in a steady profit but is lower than that of the other types of financial institutions such as IAC, which has to get its money through notes and debentures at a higher cost than that of the banks. IAC, in other words, has to borrow its money, sometimes from the chartered banks themselves, and loan it out at a higher rate, and the spread on the rates is its source of profit.

The banks, paying relatively low interest rates on deposits and no interest on a great deal of the money that comes in in the form of deposits, have a secure and steady source of low cost money that is not available to IAC. As I said earlier, it is no wonder that IAC would like to get into the act. As one of the officers of the bank replied in the Finance Committee a few weeks ago, "We want to play in the major leagues". There is no doubt that moving into the major leagues would be immensely profitable for IAC and its shareholders. That is enough reason for them to approve the bid to convert into a bank. But shareholders' profit is not a reason that should be so compelling to parliament. In order for parliament to pass this bill it should satisfy itself

that the bill is in the public interest. That, it would appear, is difficult to do.

IAC Limited was first known as Industrial Acceptance Corporation when it was set up in Windsor in 1925. Its business at that time was almost wholly dealer loans, lending money to car dealers to finance their inventory of new cars. Its business, in other words, was in commercial loans rather than consumer loans. It stayed primarily in this business for several years, and is still in it, but over the years it has broadened its base to other financial activities. It is now involved in wholesale and retail sales financing, dealer loans and business loans, mortgages for both homes and businesses, leasing of capital equipment, and consumer loans. In fact most of its advertisements in recent times have dealt with other aspects of business rather than consumer loans. I have noticed heavy emphasis, for example, on the leasing of capital equipment.

The activities of the corporation, to put it mildly, have been very successful. Among Canadian financial institutions, leaving aside insurance companies, it ranks eleventh in assets and sixth in terms of equity. The following table gives some idea of its place in the Canadian financial world.

	Assets ($ millions)
Royal Bank of Canada	$21,669.9
Canadian Imperial Bank of Commerce	18,946.9
Bank of Montreal	17,651.0
The Bank of Nova Scotia	13,462.5
The Toronto-Dominion Bank	11,857.0
Banque Canadienne Nationale	4,125.9
The Royal Trust Company	3,122.0
Banque Provinciale du Canada	2,556.8
The Huron and Erie Mortgage Corporation	2,223.6
Canada Permanent Mortgage Corporation	2,212.8

Then we come down to the various trust companies and smaller institutions. The years 1974 and 1975 have been very good for IAC. It had net income, (profits) of some $23,336,000 in the year ending December 31, 1974. In the year ended December, 1975, its profits zoomed up to $30,450,000, an increase of some 30 per cent. Dividends paid out jumped from $1.69 a share in 1974 to $2.18 a share in 1975, a healthy jump of some 29 per cent. So IAC is not doing badly for itself as it is presently constituted.

As the IAC people freely admit, IAC, with consolidated assets of well over $2 billion, is Canada's largest sales finance and consumer loan company. If IAC were a chartered bank it would be Canada's sixth bank in terms of equity and eighth in terms of assets. From a humble beginning IAC is already in the major leagues.

IAC has seven subsidiaries. The first is Niagara Finance Company Limited, a wholly owned subsidiary. It is the largest Canadian-owned consumer loan company, with some 260 branches all across Canada, and with some operations in the United Kingdom. It does sales financing and personal loans, which are usually secured through a chattel mortgage.

[Mr. Orlikow.]

● (1750)

Capital Funds IAC Ltd., and Capital Funds (IAC Ontario) Ltd. are both wholly owned subsidiaries which deal mostly in commercial loans. Both of these, plus Niagara Finance, can be absorbed virtually whole by the new bank, except for the leasing of capital equipment which is done by the two Capital Funds companies and which is not presently allowed to a bank under the Bank Act.

It is widely assumed, incidentally, that the revision of the Bank Act in 1977 will allow banks to get into leasing of capital equipment since it is a highly lucrative field that is at present being left to other financial institutions. If this is so, then by the time the bank sets up for business this type of business will be eligible to be included also, and can simply be absorbed directly.

When I first heard of this bill I wondered why the banks were not objecting to it. After all, it is not usual for a group of six large corporations which have virtually a monopoly among themselves not to object in such a case. I was puzzled. In my blissful ignorance of business I assumed that the banks would, either publicly or privately, have been opposed to the IAC application. I wondered why there was no opposition. An hon. member over there is pointing in this direction. I assume he means that someone on this side of the House could give an explanation. My suggestion to the hon. member is that he should make his own speech. We would be glad to hear from him rather than have the type of pointing of fingers and verbal objections to which we are so accustomed.

As I said a moment ago, I was puzzled why the banks were not defending their interests and making sure that there was not a new competitor. I was puzzled until it was pointed our to me that, if this bill should pass, IAC in 1976 under its new name Continental Bank of Canada would be involved in business which is not now permitted under the Bank Act, business which the Royal Bank of Canada, the Bank of Montreal, the Imperial Bank of Canada, and the Bank of Nova Scotia are not permitted to transact.

It is obvious from what I have placed on the record in respect of the operation of IAC that this is a very lucrative field of business. Of course the banks would like to have a piece of the action which is now permitted them. Those of us who were here before 1966 and remember the debate which took place at that time—

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but the time allotted to him has now expired.

Some hon. Members: Carry on.

Mr. Reid: I rise on a point of order, Mr. Speaker. I listened to the statements made by the hon. member for Waterloo-Cambridge (Mr. Saltsman) and the hon. member for Winnipeg North (Mr. Orlikow). I was astounded that neither member spoke about the amendments which are before the House. It is my understanding that at the report stage we are supposed to confine our remarks to the amendments before the House. Perhaps if Your Honour would care to look at *Hansard* tomorrow he would find that my point is verified. I believe we should be paying more attention to the legislation before us.

Mr. Deputy Speaker: Order, please. The Chair tried to follow what was said, and although perhaps I should not become involved in the debate I think it was closely enough related to the amendment.

Is it agreed that the hon. member may conclude his remarks?

Some hon. Members: Agreed.

Mr. Orlikow: Mr. Speaker, I wish to complete my remarks simply by saying I am amazed that, on the government side at least, there seems to be a disposition on the part of members, who have much more experience in the business world that I and most if not all members of our party, to support this legislation which will benefit so tremendously one specific corporation, and will do so by a change in the rules which will apply to all the banks which now must follow the rules which are set out clearly and explicitly in the Bank Act. Moreoever, this is being done at a time when we are just one year away from a major revision, if we so desire, of the Bank Act which was passed in 1966.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, it is on a very rare occasion that I become involved in a debate dealing with financial institutions. However, at this time I should like to lay before the House my bias in this connection. I have found that banks and trust companies are the least desireble institutions to which an individual, a private person, should go in order to obtain a loan. I have always found, on the contrary, that credit unions are much more co-operative and are much more mindful of the reason why banking, financial institutions, and trust companies exist.

Bill S-30 is designed to establish a new bank which will convert the assets of IAC Limited into its operation. The point of our opposition to this bill and of the amendment we recently placed before the House is that this is a most irregular way of attempting to convert a finance company into a bank. I notice that the company chose first to introduce this bill in the Senate in the hope, quite understandably, it would receive a much more positive reception there because of the number of Senators who have an interest in banks. Indeed the bill was quite speedily approved there.

I think it is important that this House should examine a little more closely the bill which is before us. We should consider the dangerous precedent involved in allowing a finance institution such as this to avoid the carefully thought out provisions and safeguards contained in the Bank Act of Canada. We believe the amendment we suggest should be carefully considered because what we have here is the thin edge of the wedge in subverting the Bank Act which has been set up to protect the people of Canada. Mr. Speaker, I see it is six o'clock. May I call it six o'clock at this time.

Mr. Deputy Speaker: Order, please. The hour appointed for the consideration of private members' business has now expired.

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-32, to implement conventions for the avoidance of double taxation with respect to income tax between Canada and France, Canada and Belgium, and Canada and Israel, to which the concurrence of this House is desired.

● (1800)

It being six o'clock, I do now leave the chair until eight o'clock.

At 6.04 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Deputy Speaker: Order, please. Pursuant to order made this day the House will now proceed to the consideration of objections to the report of the Electoral Boundaries Commission for the province of Nova Scotia.

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

OBJECTION TO COMMISSION'S REPORT RESPECTING NOVA SCOTIA

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Nowlan: I do not want to be distracted by some former adversaries on the football field who know a little bit about the Maritimes, but because of their interest in the Maritimes they will understand why I am rising tonight pursuant to an objection filed under the act protesting the proposal of the Electoral Boundaries Commission for Nova Scotia, and in particular how that proposal affects the riding I have the honour to represent, the historic riding of Annapolis Valley, which the proposal would change.

Our time is rather limited tonight but at the outset I should like to thank the House leaders for mutually agreeing to arrange this time for debate on the last day I could rise in this House to bring a formal objection under the act to the attention of hon. members. I also want to thank the hon. members who joined with me in filing the formal objection and those hon. members who have indicated to me, to amplify the objection, that they are prepared to speak tonight and/or any other time this matter might come before the House.

It might seem rather peculiar to those in the gallery, let alone hon. members opposite and perhaps hon. members on all sides, what is going on here tonight, but the fact is that I am rising at the last stage of the legislative machinery to protest a proposal by the Electoral Boundaries Commission suggesting new boundaries for the riding I represent. I feel very strongly about this. I made representations before the Electoral Boundaries Commission in Halifax when it had

its hearings there, the same as it had its hearings across the country, and there is no doubt that there is a certain quirk in the act whereby, under the law of the land, anything we say tonight is read by the same commissioners who made the proposal. Therefore we have a situation like the original judge and jury deciding whether their verdict was correct, and this does pose difficulties.

● (2010)

I can certainly say to you, Sir, that since this proposal has been laid upon the Table of this House, pursuant to the law of the land, my office has been swamped with letters, petitions, and protests over the proposal to cut the Annapolis Valley in half and join it with other parts of the beautiful province of Nova Scotia.

I want to say at the outset that I have nothing against any part of Nova Scotia. I should like to be the member for any part of it, any part of the Annapolis Valley, any part of the district of Halifax, or anywhere else, but at this point I happen to be the member for the riding called Annapolis Valley.

In my view there are few parts of this country that have such an identity of interest as the Annapolis Valley in generic terms. There is the Niagara Peninsula, but it is being paved and having condominiums built upon it, and its apple orchards and vineyards being ruined. The Okanagan Valley, if you mention the name—

Mr. MacFarlane: What about Acadia?

Mr. Nowlan: The hon. member for Mount Allison and/or Hamilton Mountain (Mr. MacFarlane)—Mr. Speaker, I am not going to be sidetracked because my time is limited and I want to say a few serious things.

There are very few parts of Canada where you can say the name and immediately Canadians, rightly or wrongly, will identify with it. Annapolis Valley is one, the Niagara Peninsula is another, so are the prairies and also the Okanagan Valley. Try to visualize the beautiful open sky of the prairies and put that into a specific area that could be a riding. There is the Annapolis Valley—

Mr. Broadbent: What about Oshawa-Whitby?

Mr. Nowlan: That area has grown. The hon. member is lucky to be its representative at the moment but, as it grows, he may not be.

At the moment there is a community of interest in the riding I represent, yet the proposal of the commissioners, albeit sincere and based on statistics, fits the electoral factors, and they have suggested a riding called Kings-Hants. In the 1920's there was a riding called Kings-Hants but tonight I am pleading through you, Mr. Speaker, that the soul of an area is so much more important than the statistics which make up an electoral boundary district.

Some hon. Members: Hear, hear!

Mr. Nowlan: I thank my colleagues for their endorsement of that principle. That is the reason why I am taking the time of the House tonight.

I do not blame the commissioners, but I have been rather involved with the public of Canada in the last six months,

[Mr. Nowlan.]

Mr. Speaker, and there is no doubt that there is an alienation factor between the public and the politician—that is me, that is you, that is every member of this House. There is an alienation factor between the public and the elected person because the public wonders what its small voice has to say in something to do with government. What is more basic to government and the law of the land than the ridings from which we come?

I wish I had more time, Mr. Speaker, and I hope I can have it extended with the help of my colleagues before the debate concludes. I hope there will be an opportunity to file a petition that is now being circulated in the Annapolis Valley, with X number of names for the moment. There are already 1,000 to 1,500 names on file, and I suggest in terms of the specific issue there are very few things I have been involved with in the ten years that I have been a member of this House that have produced 1,500 letters or coupons, individually signed and individually written, such as this one protesting the proposal of the commissioners.

I say in all seriousness, Mr. Speaker, that the voice of Canadians from coast to coast, the voice of particular Canadians in my riding who protest this change, has to be heard. It has to be heard more than in just the formal procedures of the electoral boundary commission holding hearings in different parts of Nova Scotia.

I suggest the very fact that the *Gazette* notice of the hearings was published on July 29, in the middle of summer, did not help generate public interest in the proposal for the new riding. I think the House should look at the Electoral Boundaries Readjustment Act and make sure that the *Gazette* notices will never again be published in the middle of summer when Canadians are involved in other things.

I wish the hon. member for Hamilton Mountain, who has such gusto, would contain it when I am speaking about something I know is dear to his heart, that is, the representation of people. It is up to us to bring their views to the floor of this House and deal with them here rather than have them going to a hearing. The people in my riding, Mr. Speaker, did not have the opportunity to give their—

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

Mr. Deputy Speaker: The hon. member for Hamilton Mountain (Mr. MacFarlane) rises on a question of privilege.

Mr. MacFarlane: Mr. Speaker, I think the hon. member mentioned Hamilton Mountain. It is true I have a very strong feeling for the Maritimes and it is true I have a great knowledge of the Annapolis area, but I would say it would be wrong for a person who now represents Hamilton Mountain to make any comments concerning what those people should think. Those who represent the Maritimes should represent them. I think the hon. member should check whether he really represents the entire Annapolis area or whether that is—

Mr. Deputy Speaker: Order, please. There is nothing to prevent the hon. member from making his own remarks in due time. This is not a question of privilege.

Mr. Nowlan: Mr. Speaker, I am sure the hon. member who just spoke was getting some advice from the member behind him, the hon. member for South Western Nova (Miss Campbell). Interestingly enough she has not made any representation at all and this is going to affect her as much as it is going to affect me. But let us leave that alone, Mr. Speaker.

The fact of the matter is that the *Gazette* notice was published on July 29 when most Canadians were enjoying vacations. Then under the auspices of the government we had a postal strike that went on for weeks so it was difficult for the public to register objection to the proposal or get in touch with their member.

These are some things which adversely affected the public interest, which kept individual Canadians from raising their collective voice as 2,000 of them have done in these files that I hold. These letters are trying to tell the commissioners that their proposal to cut the Annapolis Valley in half is against geography, against history, against the economy, and against the very community of interests that has made the Annapolis Valley a very valuable part of the fabric of Canada since 1604.

Our problems are different from those of larger areas such as Oshawa, and urban areas that grow overnight, where it is difficult to have a definable community of interests. My area has had that for almost 300 years. But because of the machinations of the Electoral Boundaries Readjustment Act, and on the basis of statistics, it is going to be cut in two.

The main interest in many parts of the riding of South Western Nova is fishing, and under the proposal it is suggested that Annapolis Valley will be incorporated into that riding. Historically, geographically, and economically the main occupation of Annapolis Valley is agriculture. You can see a real division of interest right there, Mr. Speaker.

I would be the last one to claim pride of authorship for words of wisdom that I think should be followed. In the submission I filed several months ago with the commission I objected on the basis of history, geography, economy and education to changing the name of the riding to Kings-Hants. After all we want names to mean something in this country.

● (2020)

We have heard much talk of Canadian content. Pierre Berton wrote "The Last Spike", a saga of the Canadian Pacific Railway, because he was interested in Canadian history. You have Peter Newman, who now has a virtual monopoly with *Maclean's* with the help of the government, trying to foster Canadianism. My hon. friend, the Secretary of State for External Affairs (Mr. MacEachen) wears the kilt on the historic days of which he is so proud. We are proud of our history. My part of the country has history coming out of its ears, yet the Electoral Boundaries Commission wants to cut up a district which has been a unit for the past 200 or 300 years.

I appreciate that in older, historically significant regions it is more difficult to make boundary changes. Few communities in Canada have such a community of interest as the Annapolis Valley, the place where European civilization first flourished in this country. After all, western civilization first established itself in eastern Canada at Port Royal, in 1604. European civilization flourished there and grew from there.

Not only is the valley a unit historically; it is a unit topographically, educationally, and economically. A long time ago Edmund Burke defined a community of interest in "Reflections on a Revolution in France", page 399, as follows:

> Society becomes a partnership between those who are living, those who are dead, and those who are to be born.

Mr. Broadbent: We're sad.

Mr. Nowlan: I ask the hon. member to constrain his tears. I know his speech.

My family is from the Annapolis Valley. My good friend, the hon. member for Dartmouth-Halifax East (Mr. Forrestall), is from the valley too. We have extensive roots there. Now the place which is one historic unit, the unity of which I consider as my historic birthright, is to be severed, separated, no longer to be known as one riding, Annapolis Valley.

Mr. Broadbent: Come off it!

Mr. Nowlan: The hon. member does not know what he is talking about. He is oohing and aahing. That is the hot gas socialists produce. What's more, the hon. member is not being sociable.

I know the Electoral Boundaries Commission is sincere. Its members should look at the area not from the viewpoint of statistics but from the much broader viewpoint of community of interest. I say that the valley is a community and, as such, its wishes should be respected. I know that the commission is sensitive about electoral boundaries and splitting regions. You know, it is one thing to divide a community, quite another to define it. Our community has been defined for hundreds of years. Now the commission wants to divide it and make it into two new ridings.

The area has produced at least three Canadian prime ministers. The Secretary of State for External Affairs no doubt has heard of Right Hon. Lorimer Ilsley, who was one of the best ministers of finance we have ever had. He came from the area.

An hon. Member: Was he a Liberal?

Mr. Nowlan: He was a classical Liberal, and he would be completely appalled by the Trudeau government of today. He was a true liberal, not a Liberal of the type who sits opposite now.

Mr. MacEachen: He would not be too happy with today's Conservative party, either.

Mr. Nowlan: At present Acadia University serves Annapolis Valley. Between 60 per cent and 70 per cent of all students come from the counties of Annapolis and Kings. The university was built to serve the regions—with all respect to my hon. friend from Halifax.

Mr. Guay (St. Boniface): This speech is better than the one you made at the leadership convention.

Mr. Nowlan: No, Joe, it isn't. The commission cannot ignore deeply rooted traditions. The area is one unit educationally, served by a university attended by between 60 per cent and 70 per cent of students who come from the valley. Why, if this proposal carries, the people in the valley will be divided. How can they ask with one voice for manpower programs which may be necessary, or for OFY grants, if the government continues to give them? The governemnt isn't sure of anything. I do not suppose the Secretary of State (Mr. Faulkner) knows what he will do next. He probably isn't sure if he should shave his beard tonight. That's how unsettled he is.

Why should you divide the region? Why should some students at Acadia University be represented by one member and some students by another, which will happen if you establish the new riding of Kings-Hants?

Think also of what will happen to CFB Greenwood, part of which is in Kings county and the other part in Annapolis. Under this proposal some of the married service personnel living at Middleton will vote in one riding; others at the base will vote in the other. That is preposterous. Greenwood is right on the borderline of the proposed riding. CFB Greenwood, incidentally, is the largest base east of Montreal and the large NATO base in Canada. Why create such problems at the base? Our school systems are also involved in the proposed change.

The two towns affected, Middleton and Bridgetown, are none too happy with the proposed change. The clerk of the town of Middleton wrote me the following letter, a copy of which went to the chief commissioner. It says:

> The town of Middleton wishes to make known its views and opinions regarding the proposed federal electoral boundaries changes in the Annapolis Valley.
>
> Although approximately one half of Annapolis county is now included in the Digby-Yarmouth electoral boundaries region, the town feels that should any changes be made in these boundaries, that Annapolis county in its totality, should be included with the Kings-Hants riding.
>
> Annapolis county has traditionally been closely linked with the rest of Annapolis Valley community, not only in its history but in its present economic ties.
>
> The economic mainstay of the Annapolis Valley is agriculture; the mainstay for the Yarmouth-Digby riding is fishing. Should Annapolis county be included in the Yarmouth-Digby riding, the federal representative would then have to be well experienced in agriculture and fishing as well and would, of necessity, have to have close liaison with the other MP representing the valley riding. This condition could cause a great deal of unco-ordination in efforts to assist the agricultural community of the Annapolis Valley as a whole and further complicate the position of the representative were he to try to represent these two economic mainstays in the Annapolis-Digby-Yarmouth region.
>
> For these reasons the town of Middleton feels that rather than change the boundaries to include the Annapolis county with Digby-Yarmouth counties, that the commission should give serious consideration if any change is made at all, to include Annapolis county with the Kings-Hants riding. The town of Middleton wishes that the Annapolis Valley be left intact as one historical and economic entity and that one federal representative for the Valley should speak for the entire Valley community.

● (2030)

I could not agree more with those thoughts and sentiments. They were filed after the representation hearings were held because of the difficulty of summertime and the postal strike.

The mayor of Bridgetown has written to the commissioner. I quote from his letter:

> On the 8th of October 1975 our Town Council addressed a letter to Judge Angus MacDonald expressing our dissatisfaction and opposition to the proposed changes in electoral boundaries which would attach all of Annapolis County to the South Nova constituency.

[Mr. Guay (St. Boniface).]

> We understand the Nova Scotia commission on electoral boundaries has now submitted its report, which does approve the change noted above, even though there is widespread and strong opposition from this part of the province.

This is the dilemma that faces Canadians because they do not understand the legislative machinery that has to be followed. Quite frankly I hope we have some effect in going through this procedure tonight. The mayor continued:

> While not fully aware of the procedure in such instances, we understand that the only recourse now—

Again, this came late in the day because of the summer recess, vacations, and the postal strike.

> —is an appeal on the part of a number of elected members of the House of Commons. Just how this is accomplished we do not know, and would welcome advice from you as to what we might do to assure further careful consideration to this very serious and disruptive proposed electoral change.
>
> We recognize that this is a late hour appeal, but at the same time it is due only to the fact that our appeal of October 8, 1975, was not favourably received.
>
> I'm sure you will recognize at once that this request comes from a responsible elected body, and reflects the apprehension and concern of the people of our area.
>
> Without being more specific, it must be quite clear that the proposed change would be both disturbing and disruptive. It follows quite logically too that all possible should be done to retain the harmony and satisfaction which presently prevails.
>
> We urge you to consider this letter as a reasoned and well-considered appeal for further study of a proposal which promises to promote dissatisfaction and disharmony.

Those are submissions from two of the larger towns in the area that is going to be cut back and tied into another constituency, which is undoubtedly tremendous, but one with which they have never been associated in any way whatsoever.

I have a resolution from 17 or 18 Annapolis Valley boards of trade who also protest this move. I have a petition signed by over 2,000 people that I hope to file before this hearing is concluded in this House.

It is very difficult in this formal Chamber to try to relate the serious personal concern and confusion of people who have always been a part of an area and overnight their boundaries are going to be changed. As I said, this is not a new area. For the past 50 years Annapolis Valley has been an electoral unit and this proposal is cutting it up. It does not have to happen.

When I made my representation to the regional commissioner in Halifax, it so happened that Mr. Castonguay was there. He is a very respected Canadian who knows more about the electoral procedure and boundary changes than any other Canadian. In my submission I stated that all of Annapolis County, all of Kings County, and at least half of East Hants, which I now represent, should be in the constituency of Annapolis Valley. In fact, as far as I am concerned, it should be all of Annapolis County, Kings County and Hants County.

My friend who represents East Hants is prepared to speak on my proposal. He will say that East Hants has a community interest with either Truro or Windsor and no community interest with Annapolis Valley. It is not even part of the Annapolis Blossom Festival. It is not related with regard to newspapers or radio. Mr. Castonguay stated that I was the first member to appeal before a commission

hearing and advocate taking on more people, rather than less. Mr. Castonguay caught the point completely because in terms of the Annapolis Valley community interest, I or whoever is the member, would serve more people. That is because the community interest is so definable. The interests are similar. To divide Annapolis Valley in two and add a portion to one part, with all respect to the lovely people of East Hants there would not be the same community interest that is historic in the Annapolis Valley. I hope the hon. member for Halifax-East Hants (Mr. McCleave) will say a few words.

With the consent of the House, I or another member on my behalf, will file the necessary petitions and formal signatures. This can be done at a later date. However, I plead that statistics not be the determining factor for a constitutency that has been a historic part of the land for 300 years. It is the soul of the Annapolis Valley that I plead for in terms of electoral representation rather than just the cold, formal statistics that are applied to determining electoral boundaries. There is now a definable boundary in terms of Annapolis Valley. I do not understand why the commission should use statistics to cut it in half.

Mr. Deputy Speaker: The hon. member for Halifax-East Hants (Mr. McCleave).

Mr. Blais: You only have one minute.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, it is always nice to support a colleague and have so much gratuitous advice thrown across the floor from people who have forsaken the maritime way and gone to other places, but still have the interests of the maritimes at heart.

My purpose in rising is to suggest a way out of the dilemma posed by the hon. member for Annapolis Valley (Mr. Nowlan). I rarely rise in this place to scold, but only when I think of some kind of remedy that might or might not be applied, or at least should be considered. It is my purpose to follow that sort of course this evening.

I do not know whether hon. members realize it or not, members like the Secretary of State for External Affairs (Mr. MacEachen) would realize it, but the hon. member for Annapolis Valley is telling it exactly as it is. There has developed a rather explosive situation in Nova Scotia in connection with the redistribution of seats.

Knowing the people who sat on the commission I must say I thought that, by and large, they did an excellent job. Mr. Justice Angus MacDonald has been a friend and associate of mine for years and years. His father was the distinguished premier of Nova Scotia for years back. Knowing him and others who sat on the commission, they did the best they could. The fact is, however, that once in a while one is allowed to blunder. In the case of Annapolis Valley, probably they have made a blunder. There is certainly very strong feeling there that the division of seats should be in a different direction than is proposed. I gather the procedure is for *Hansard* for this debate to be forwarded to them so that they can make up their minds whether they did a wise thing or bad thing originally. That is their obligation at this point.

● (2040)

I hope I can appeal through you, Mr. Speaker, to the members of the commission to accept the argument by the hon. member for Annapolis Valley (Mr. Nowlan). I say that because I have to be a practical politician in this sense and acknowledge what has been said by people in Nova Scotia. I think Mr. Justice MacDonald and his group would accommodate him in that regard.

If I may just take another 30 seconds to make another additional point, perhaps the most practical argument I can advance to Your Honour is that I believe in the county distribution system, or in division along county lines. There is a part of the riding of Halifax-East Hants known as Mount Uniacke which could probably adjust itself to another riding. So if Mr. Justice MacDonald and his group need an area that has to be adjustable, they might look at the Mount Uniacke area, a very large and growing area of Nova Scotia, an area that does not necessarily have to be tagged—

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but it being 8.40 o'clock p.m., pursuant to the order made earlier this day the debate on the objection to the report of the Electoral Boundaries Commission for the province of Nova Scotia is adjourned.

The House will now proceed to the consideration of the objection to the report of the Electoral Boundaries Commission for the province of British Columbia.

OBJECTION TO COMMISSION'S REPORT RESPECTING BRITISH COLUMBIA

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, it is nice to see us going from one end of the country to the other and eliminating most of the stuff in the middle for a change. It is my privilege tonight to speak on behalf of a couple of other members from British Columbia who happen to be away from this House on very important business, namely, the hon. member for Kootenay West (Mr. Brisco) and the hon. member for New Westminster (Mr. Leggatt).

The points I wish to make touch on three types of characteristics: geographical, political and demographic. Specifically I wish to inform you that the Creston Valley area of the present day riding of Kootenay West should not be redistributed into the new riding of Kootenay East, and that the Christina Lake area should remain in Okanagan Boundary rather than be added to Kootenay West. The hon. member for Kootenay West, who has asked me to speak on his behalf in his absence, states that he would like to make it absolutely clear at the outset that he personally has no objections to serving and representing the Christina Lake area; indeed he has many friends in that community. None the less, he does not feel it to be fair to either the people of Christina Lake or of Creston or even of Trout Lake that the proposed redistribution take place.

Geographically speaking, the Creston Valley area forms a natural boundary for the southeastern limits of Kootenay West, as does the Rossland range of mountains in the southwest, and as do the Monashees on the north end of the Arrow Lakes. By contrast, Christina Lake and its

environs are at the base of a natural obstruction, namely, a high mountain pass known as the Blueberry-Paulson, and does not geographically belong to the natural boundaries of present day Kootenay West.

In effect what the proposed redistribution does is oblige the member for Kootenay West to travel over an additional mountain pass, which in winter is not only time consuming but also difficult and hazardous. Anyone who has lived in the Kootenays for a winter will know that eastern Canada's snowfalls are minor compared to those in his area. There is no permanent habitation along the 60 odd miles of this pass. In order to cover the east side of Kootenay Lake in the redistributed riding, the hon. member would have two choices before him. He can take the ferry at the north end of the lake and, on reaching the east side, swing 40 miles south. This ferry runs once every 45 minutes, but is frequently delayed in winter due to weather, and in summer due to heavy tourist traffic. Or he could travel over the Salmo-Creston Skyway through what would become his former riding and then drive approximately 40 miles north. Either way, he is severely inconvenienced.

Further to this, should it prove impossible to persuade the commission to leave Creston in Kootenay West, surely they can leave the north end of Kootenay Lake in his riding. This would be an improvement in that it is far easier to travel the few extra miles to this remote part of his riding, a part which shares in the concerns of Kootenay West as it now exists, than to service the Christina Lake area.

Politically speaking he would like to draw the commission's attention to the fact that two community bodies which are representative of a cross-section of the people in the Creston area have rejected any inclusion of Creston into the new Kootenay East riding. The Creston Chamber of Commerce spoke against the proposed redistribution and, as well, the Creston Town Council unanimously voted to reject the proposed change. The stand taken by these two bodies is understandable in light of the fact that prior to 1952 Creston was in the riding of Kootenay East and was moved back to Kootenay West in 1965. Another move back to Kootenay East would only confirm the feeling of the local populace that their fate is to be a political football approximately once every 10 to 15 years, serving only to satisfy the whims of redistribution and the numerical population needs of redistribution. He would suggest to members of the commission that this is totally unnecessary in light of the following demographic considerations.

In November of 1974 the British Columbia Research Council issued a report entitled "Population Projection" wherein it outlined the following statistics. In the regional district of Kootenay Boundary in 1974 the population was 31,407; the projection for 1980 is 30,763. In the central Kootenay area in 1974 the population was 44,670; the projection for 1980 is 47,265. In Columbia Shuswap the population in 1974 was 30,811; the projection for 1980 is 40,647. In East Kootenay the population in 1974 was 39,735; the projection for 1980 is 52,475.

The first two regional districts, corresponding roughly to the land area of Kootenay West, will experience approximately 7.8 per cent growth by 1980. The second two regional districts, corresponding almost exactly to the new riding of Kootenay East, will experience a 63.3 per cent growth by 1980. Even if we tend to be pessimistic about future economic growth, Kootenay East will more than make up for the 5,000 or so constituents it will not get if Kootenay East keeps its present proportions.

It is pertinent to note in this connection the statement by Premier Bennett of British Columbia that coal is going to play a major part in the provincial economy and that it is going to be a part of the new economic prosperity. The riding of Kootenay East encompasses the largest and most development-ready coal mining area in all of British Columbia. At the rates predicted by the British Columbia Research Council, Kootenay East will, in a matter of 4.8 years, have gained about 5,000 people, already sufficient to make the addition of Creston superfluous. It is therefore highly likely that after the next census Creston will once again be redistributed back to Kootenay West.

The hon. member would also like to point out that economic trading patterns presently exist between Creston, Nelson, and Trail, rather than between Creston and Cranbrook. Similarly, the people of Christina Lake do their trading mainly with Grand Forks. It is not appropriate or fair to the people of Christina Lake that the economic concerns of Christina Lake be included in those of Kootenay West, just as it is not appropriate or fair that the economic concerns of Creston be included in those of Kootenay East, an area whose economic concerns differ widely from those encountered in Kootenay West.

Finally the hon. member would like to make a point about the peculiar manner in which the commission has drawn the boundaries in his present riding across areas that are virtually uninhabited the year round, presumably in the name of fair redistribution. He asks that you take note of the fact that the commission has drawn a line through hundreds of square miles of Kootenay West in an area bounding the Salmo-Creston Skyway, the area north of Creston, and the area bounding Trout Lake and Upper Arrow Lake. It is inconceivable to him how the mere addition of hundreds of square miles of bush can be justification for the commission's supposed aim of fair apportionment of constituents to every member's riding.

Did the commission find any great and pressing concerns in these areas of forests, high mountain peaks, and surging creeks which would cause it to put them into either Kootenay East or Okanagan North? If so, the hon. member is most anxious to hear about them. He does not think it too much to ask that at least those portions which play no part in this population redistribution be left in Kootenay West since these areas are ones of present and future environmental, economic, and other concerns to those constituents left in Kootenay West after redistribution.

In any case the hon. member would like to demand from the commission a full explanation as to why it insisted on such a move. Perhaps such an explanation will remove the lingering doubts in his mind, and in the minds of other members of parliament who have suffered the same fate as he, as to whether or not the commission's work is serious 100 per cent of the time, or whether it redistributes ridings in a manner akin to shuffleboard.

● (2050)

I should like to talk now about some ridings on the lower mainland of British Columbia. I propose that the electoral

district of Burnaby-New Westminster be formed by joining that section of the proposed Burnaby riding which is west of Sperling Avenue and Kingsway to the city of New Westminster. An electoral district of Burnaby-Capitol Hill can be formed by joining the Capitol Hill district to the section of the proposed Burnaby riding which is east of Sperling and the Kingsway. An electoral district of Coquitlam, Port Coquitlam and Port Moody can be formed by joining these three districts.

The following reasons are urged for my proposals: Capitol Hill, proposed now as part of North Vancouver-Burnaby, should be electorally associated with Burnaby. Geographically being separated from the rest of its proposed constituency by Burrard Inlet, the residents of Capitol Hill have little or no association with North Vancouver. Consider the separation, the inconvenience; there is not even a bridge to the North Vancouver district within the Capitol Hill section, therefore all social and commercial relations flow south connecting Capitol Hill easily with Burnaby. Culturally and socio-economically, the Capitol Hill quarter is associated with Burnaby and not with North Vancouver.

It is obvious that the interests and concerns of Capitol Hill residents are similar to those of Burnaby, while in an enlarged North Vancouver-Burnaby electoral district they will be an unrepresented minority. In this area I feel sympathy for the present member for New Westminster because the riding I now represent, Burnaby-Richmond-Delta, has a part of Burnaby that is totally separated from Richmond-Delta. From either end of my riding I have to drive about ten miles through the ridings of a couple of other members to get to the rest of my riding in Burnaby. From the Delta end of my constituency I have to drive through the ridings of other members and across a bridge to get to the other section of my riding. The people living in that area of Burnaby really have no relation with those living in Richmond and Delta which are brand new areas, growing fast, whereas Burnaby has been there for much longer.

That has been a hardship for this member mainly because of the distance one has to drive around there and because of the disassociation, not being next door neighbours. I would have hoped the commission, when drawing up these boundaries, would have given more attention to these factors because the people in Capitol Hill, who will now have a representative who most likely will be on the north shore, will not even have a bridge—they will have to drive through the ridings of other members to get to the rest of the area of the riding they will be associated with. I can't understand the members of the commission when they draw things up like this because certainly some of the members of that commission know British Columbia better than would seem from the lines that are on the maps.

The western section of the proposed Burnaby riding should be joined to the city of New Westminster since the historic, commercial, and social relationships of a large part of that section have been with the city of New Westminster. Again the hon. member is pointing out that people who are socially and economically in the same area should be left in the same area.

Coquitlam should be in the same riding as Port Coquitlam and Port Moody. All are new suburbs, all are within the same school district, and all have similar socio-economic mixes. By putting those areas together, Coquitlam would then become the centre of a major riding, and this again would serve the people of that area much better.

Now that I have made some comments for the member for New Westminster and the hon. member for Kootenay West I might make some on my own area and also on the province in general. I have attended all the public hearings and a number of the meetings which have been held. I remember the debates in the last parliament when redistribution got shot down, much to my dismay because of the fact that I represent one of the largest ridings in the country, in excess of 200,000 people. I am disturbed that once again I have to go back to an election with the same large group of people which is awfully tough to represent, especially when you look at members from Newfoundland and the smaller provinces who have only 30,000 electors. You then think it would be nice if you could get your riding down to the same size and maybe give the people a little more service.

An hon. Member: How many blocks is it?

Mr. Reynolds: I hear someone down there yelling "How many blocks is it?" Mine is also a large riding geographically. Certainly in the rush hour I could not drive around my riding in seven hours the way the traffic is blocked up at tunnels and bridges. Some of the members who represent rural areas must think it would be awfully nice to represent an urban area, but they do not realize that people disappear into their cars in the morning and do not come back until late at night. It is not always that easy. Besides, the people in the urban areas tend to become more involved in politics.

The point I am making is that British Columbia was alloted only five new seats in the redistribution and the way I heard some of the members talk in the House it was great we were getting so many. But the main error of the whole redistribution setup is that it was taken on the basis of a census which was so old. If it had been based on the 1971 census British Columbia would have qualified for a lot more seats than five. Members might say that this would apply to every other area, but no province in this country has shown the growth rate of British Columbia.

We are the fastest growing province in the country and the reason is obvious to everyone who lives there. The hon. member who is speaking has lived in two eastern provinces; he happened to be born down here and has lived in two of the western provinces, but the province of British Columbia seems to have nicer weather which attracts a lot of people from this area to live there, and maybe that is why our growth rate is so great. Certainly after this redistribution, even if it takes place within a very short period of time, most of the members from British Columbia will represent constituencies with far more people in them than members in other parts of the country. I think this is a shame.

We should look toward a system of redistribution which would redistribute the ridings on the basis of population figures much more up to date than those we are using. I was looking at the map, and looking at the numbers of people I am going to have in my riding, and I was amazed to find that the figure is roughly 83,000—that is the number the commission says will be in the new riding of

Richmond-South Delta. Well, there are already in excess of 90,000 people in the Richmond area alone, and in excess of 30,000 in the South Delta area. So the minimum population by the time redistribution comes in will give me at least 120,000 constituents. This is a considerable number to represent.

The way they split up my riding, I cannot complain. After saying there are so many people to look after, I am very pleased that those people in the Burnaby area will be going into a riding represented for the first time. Right now there is no one member who represents Burnaby. My riding is Burnaby-Richmond-Delta and there is a member on the other side of the House who represents Burnaby-Seymour (Mr. Raines), but there is no member who represents Burnaby only. That is the one good thing this commission has brought out after recommendations from members on both sides of the House, that Burnaby should have one member to represent the area, one of our larger municipalities. I am very happy, and I am sure the people of Burnaby South, who I have been proud to represent in two elections and who in the last election, in every poll, voted for me with over 50 per cent of the vote, will be pleased that they will now be represented by a member who lives in Burnaby, althouth I am sure they feel they are well represented, and have been, not only by this member but by other members in the past who, by the way, mostly all lived in the Richmond or Delta area.

As far as Richmond goes, those people will still have a member of parliament to represent them, and that member will only have to represent South Delta as well as Richmond I still feel that if the redistribution were carried out on a more up to date basis the community of Richmond should have a member of parliament of its own. A community with a population in excess of 90,000 should not have to share its member of parliament with another community in the area, especially when one considers the size of some other ridings in the country.

When it comes to the Delta area I shall be losing the North Delta area to a riding that will be called North Delta-Surrey-White Rock. That might fit well together geographically, but again it is a shame because Delta encompasses three distinct communities. It is the southeasternmost part of the mainland of Canada, it borders on the United States, and it is called the sun capital of Canada. This area receives less rain and more sunshine than anywhere else in the country. It is a shame this area has to be split in half through redistribution when it has in excess of 65,000 to 70,000 people and could qualify in most regions of the country as a riding in its own right.

● (2100)

I must say in all fairness that the commissioners had to take into consideration the old census. This is the only way they could do it and we will have to go along with it. However, I am looking forward to the day that Delta will be a riding on its own. I am sure it will reach that point at the next redistribution after this.

I hope that as soon as this redistribution is completed the House will set up a committee to review and redistribute seats. I know that the Committee on Privileges and Elections is looking into the area of permanent voters' lists and so on, which ought to speed up many of those things and perhaps make us look a little more professional to the people of Canada than we do at the present time when we try to redistribute our seats. Mr. Speaker, that is about all I have to say about redistribution. I thank the House for listening to my remarks about my area, the area of the hon. member for Kootenay West, and that of the hon. member for New Westminster.

[Mr. Reynolds.]

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I wish to take a few minutes tonight to speak about the redistribution in British Columbia, and more specifically in my constituency of Kamloops-Cariboo. By and large the Commission has done a fantastic job in the province of British Columbia. Many of us are concerned about the rapid growth in the province. We are very happy to see that finally we are to be allocated five new constituencies. My representation was that we should have six new constituencies, but five is pretty close.

British Columbia has been one of the most rapid growth provinces in the country. Five new seats reflect this new growth. This growth has been all over. It is in the lower mainland and also in the upper interior in places such as Prince George, Kamloops, Kelowna, and Penticton. These cities have grown extremely rapidly. I want to congratulate the commission for having taken all these factors into consideration.

As I said before, the commission really has done a pretty fantastic job in British Columbia. Some pretty strong representations have been made to me from the city of Merritt. Hearings were held in Kamloops at which presentations were made. There was one presentation by the Shulus Indian Band on behalf of the Indians in that part of the constituency, and another by the Merritt Chamber of Commerce. These people were extremely concerned about the city of Merritt no longer being included in a constituency with Kamloops.

The old constituency of Kamloops-Cariboo had about 140,000 people. It covered an area of about 25,000 square miles. There were some anomalies in the old distribution. It was necessary to try to fit people into some areas which were very large. In some instances there was no relationship between one area and the other in respect of, for instance, Kamloops and Quesnel. When the last redistribution took place there was much concern that Quesnel, so many miles away from Kamloops, had to be in the same constituency. In any event it all worked out. After all the shouting was over it was fantastic for me to represent Kamloops-Cariboo along with the city of Quesnel.

I want to say I hope the commission will look again at the matter of including Merritt with Kamloops in a constituency. In the redistribution it is now with Okanagan-Similkameen. Merritt really has no connection with the area of Okanagan-Similkameen except perhaps with Princeton. It has no affinity with Penticton or the Okanagan part of British Columbia. The real connection of Merritt is with Kamloops. Its connection with Kamloops is in such areas as the newspapers. The people in Merritt read the *Daily Sentinel* and the Kamloops *News*. Many people in Kamloops also read the Merritt *Herald* and the *Merrittonian* and so on. There is a natural connection also through television and radio. Radio Station CHNL Kamloops has an outlet in Merritt and Princeton as well as in Clearwater

which is up the North River. The same thing applies to the mining industry and the forest industry.

With these few comments may I say, on behalf of the people of Merritt, that I hope I have registered with the commission their concern so that the commission may take another look at the situation in an effort to ensure that the Merritt-Quilchena area will be included with Kamloops where they want it to be, and with which there is a natural connection geographically, socially, and economically.

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, I should like to commend the commissioners for the good job they have done in the basic redistribution of the ridings in British Columbia. They do not have an easy job in the mountainous area of British Columbia. It really is not too easy to get everybody in exactly the areas where they would like to be. I should also say that probably they recognized at the outset that the city of Merritt needed some really good representation. Perhaps that is the reason why they included that city in the new riding of Okanagan-Similkameen. I think I must agree with the hon. member for Kamloops-Cariboo (Mr. Marchand) that the basic economic community is joined to the city of Kamloops and that area more than it is to the rest of the new riding that is being created, Okanagan-Similkameen. So I would think that even though the commissioners wanted to get better representation for the people there, the area really should be included in the Kamloops areas.

● (2110)

Also in the redistribution the new riding is called Okanagan-Similkameen. The name of the riding now is Okanagan Boundary and the only difference between Okanagan Boundary and what we would have is the inclusion of the city of Merritt at the north western extremity and the exclusion of the small community of Christina Lake in the southeastern boundary, and then dividing it up into another riding which would include Kelowna, Vernon and Enderby. Actually we are getting in the very high growth area, bearing in mind that the riding of Okanagan Boundary has the third largest population in British Columbia, and that takes in all the ridings in the area, including Vancouver. It is a big riding with a large population.

You might get many complaints from city ridings, but I know that in most of them you can cover the whole area on a bicycle. There is no way that you can do that in a riding such as Okanagan Boundary. Many of the city ridings in Canada have small populations, such as Vancouver East and Vancouver-Kingsway. They contain not much more than half of the population of the riding of Okanagan Boundary.

I also agree with the hon. member for Kootenay East (Mr. Brisco) that Christina Lake should not be included in the riding of Kootenay West. There is a mountain range between the city of Castlegar and Christina Lake. In May of 1974 when I went over to the nomination meeting of the hon. member who now sits for Kootenay West—I hope I did a little bit to help him get here—I came back that evening over the mountain range, with mountains on both sides of the highway covered with snow, and on the way I encountered a bear and her cub. The bear cub had just been born up high on the mountain range which was covered with snow, and this was in May. This is the kind of thing we are talking about in British Columbia and these are the kinds of roads we have to travel on in these areas.

Christina Lake is a community which the CRTC and CBC do not consider as having a sufficiently large population to qualify for television coverage under the accelerated program, although there are more than 500 people living there. I believe they went back to the 1971 census in making their decision to exclude that community, a community which is cut off by a mountain range which, at the best of times, is hazardous to cross. Yet the commissioners have decided to include it in the riding of Kootenay West. These people are only seven miles away from the city of Grand Forks. Christina Lake was at one time a resort. Now it is one of the better places in which to live in Canada, as is most of the area that I represent. Many people from all over Canada come to live there. Even a relative of the hon. member for Fort William (Mr. McRae) lives there. These are the type of people who move in from all over Canada to live in this community. That is why it is growing so fast.

I think that more study should be devoted to this matter of excluding a community such as Christina Lake and putting it into the riding of Kootenay West, and also including in the riding a community such as Merritt which is closely connected with the city of Kamloops.

I know this has not been an easy task and I would not like to see any of these representations upset the designation given by the commissioners because, as I said at the outset, it is not at all easy to designate ridings in this type of mountainous area. When you consider any interior riding such as mine, with a population which is so much greater than ridings in the great metropolis of Vancouver, you realize that there is an inequality there and that to represent these people properly we must have more seats in the area.

I agree with the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) when he says we are not overjoyed at receiving five new seats in British Columbia. All we received were five new seats in British Columbia. When you compare that with ridings in other areas of Canada such as in the Atlantic provinces, in Quebec, and in many parts of Ontario, you find that we are not getting our just due in British Columbia. More seats should have been given to us. When I look at the redistribution in Ontario I see that ridings in the south and central area of Ontario have a smaller population than some of the great spread-out ridings in British Columbia. I do not understand why we should not get more seats.

The Acting Speaker (Mr. Boulanger): Order, please. It being 9.20 p.m., pursuant to the order made this day, the debate on the Electoral Boundaries Commission for the province of British Columbia is adjourned. Shall I call it ten o'clock? This would need unanimous consent.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, Alberta comes next.

Mr. Paproski: Mr. Speaker, I rise on a point of order. I believe that five or six minutes are left in the debate on British Columbia redistribution and I think hon. members would like to speak for a few minutes on that subject.

● (2120)

Mr. Blais: What is wrong with Alberta?

Mr. Paproski: It will be next.

Mr. Blais: He is finished.

Mr. Paproski: No, he still has two or three minutes left. He still has four minutes.

The Acting Speaker (Mr. Boulanger): I must remind the hon. member that the order states that the debate with respect to British Columbia should adjourn at 9:20 p.m. This is why I called the debate adjourned. Unless there is unanimous consent, we will proceed to the next objection.

Mr. Paproski: Mr. Speaker, on a point of order, I believe each province under this redistribution is to have 40 minutes. There are still three minutes left of the 40 minute period, and the hon. member could be given three minutes before we commence the Alberta objection.

Mr. Blais: The order says 9:20 p.m. I think upon consent of the House we could permit three or four minutes; but simply to make sure the order is understood, it spoke of 9:20 p.m. and not 40 minutes.

Mr. Knowles (Winnipeg North Centre): Let us agree and not use up the three or four minutes on this point of order.

The Acting Speaker (Mr. Boulanger): Is it agreed that the hon. member for Okanagan-Kootenay (Mr. Johnston) shall have three or four more minutes?

Some hon. Members: Agreed.

Mr. Howard Johnston (Okanagan-Kootenay): Thank you, Mr. Speaker. In the very brief time I have I should like to make only two points, and that will take about all the time I have.

One can hardly be too critical of redistribution which in a sense does what I suggested it should do, which is to create two Kootenay and two Okanagan seats, as it was historically. However, an examination of the map shows that it has not really solved some of the problems which existed previously. The large size of Okanagan-Kootenay has been a difficulty to overcome, for any hon. member representing that area, and yet if we look at the proposed Kootenay East, it reaches into north Okanagan on the one end and west Kootenay on the other, and carries for whoever represents it in the future parliament the same difficulties which exist in Okanagan-Kootenay today.

The distances will be tremendous, and if one looks at the Okanagan side of it one sees that north Okanagan has been divided three ways, whereas it was divided two ways before. The Shuswap Sicamous area has been included with Kamloops. It is a great reaching over for that area, so I hope the redistribution commission will consider what it has done because it could have been done differently if the Kootenays had been regarded as Kootenays and given two seats. If the whole Okanagan had been treated as a unit and divided into two, a more sensible redistribution would have been made.

[Mr. Paproski.]

The Acting Speaker (Mr. Boulanger): The House will now proceed to the consideration of the objection to the report of the Electoral Boundaries Commission for the Province of Alberta.

OBJECTION TO COMMISSION'S REPORT RESPECTING ALBERTA

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, as we move eastward into the province of Alberta I think even the most solidly entrenched member of parliament would agree that the process whereby riding boundaries are regularly re-evaluated is desirable and necessary in order to ensure adequate representation to fast growing ares and to reflect the experience of those who have been elected to represent a given district. Accepting as we do the necessity, and indeed, the value of redistribution, changes in the province of Alberta must be made with a minimum of major surgery on constituency boundaries except where we must repair anomalies which were introduced in prior redistributions. With respect, I find that some changes in the electoral map which the commission has proposed this time are unacceptable.

As the commission should be aware, the provisions of the Electoral Boundaries Readjustment Act permit certain considerations to influence the delineation of each riding, namely, special geographical considerations, including particularly the sparsity, density or relative rate of growth of various regions of the province, the accessibility of such regions or the shape and size thereof, and any special community or diversity of interests of the inhabitants of various regions of the province.

The tolerance of 25 per cent in either direction from the established quota for each province was written into the act to benefit rural areas. This was much discussed at the time of the last distribution. I know a number of my colleagues will be bringing this point up again tonight. This is to allow rural constituencies to retain their distinctive character and to continue to exist within a representable framework even if, as a result, their population is substantially on the low side of the deviation permitted. I contend that in some respect the commission has ignored these provisions and the intent of the framers of the act.

With specific reference to my riding of Wetaskiwin I cannot comprehend why the commission found it more reasonable to carve out the commuter area south west of Edmonton and move it into the Yellowhead riding. Surely the commuter towns of Spruce Grove, Stony Plain and Winterburn—and the acreages which are adjacent—should not have been taken out of Wetaskiwin because they have much more in common with the suburban area communities of Devon, Leduc and New Sarepta, the demographic interests of which are more urban oriented than that of the large area of Yellowhead where the primary occupations are lumbering, mining, tourism, and agriculture.

Stony Plain, Spruce Grove and Winterburn are situated in an agricultural area dominated principally by hobby and dairy farms, a characteristic similar to that of the Leduc-Devon area. Wetaskiwin is made up of a rich agricultural area with largely a preponderance of dairy farming and other cereal crop farming. It is surrounded by large towns which service that area, along with the commuter area which is south and west of Edmonton.

Growth and growth patterns come into this picture as well. The towns of Spruce Grove, Stony Plain, Devon and Leduc have all experienced rapid growth which has virtually doubled their populations over the past few years. Without becoming urbanized these communities will more and more attract light mobile industry which does not need to be located within the city, but which does need to be close to its facilities and transport routes. The employees of these industries, as well as those who commute to and from Edmonton, have special needs and interests. These individuals, along with the specialized farmers, constitute the two readily identifiable and not incompatible populations of the riding. To extract a large group of persons, some 6,000, from this territory and place them in a constituency where the terrain, working pattern and orientation are totally dissimilar to the riding in which they are presently located is contrary to the sense, spirit and letter of the act.

The accomplishment of what has been done is to make Yellowhead riding 71,000 people and the Wetaskiwin riding 64,900 instead of the reverse as it was on the pre-public hearing map of Wetaskiwin, which was 71,700, and the Yellowhead riding 64,044. In our motion in section 8 we suggest that the commission has not established the rationale of the decision to limit the urban city ridings at the boundary limits of the cities of Edmonton and Calgary in order to eliminate a possible urban domination of the adjacent rural populations. It then immediately reversed itself in its designation of adjacent constituencies where the rural populations are entirely dominated by those of suburban communities, the demographic interests of which are solely urban orientated.

● (2130)

The commission decided to limit the urban city ridings at the boundary limits of the cities of Edmonton and Calgary. How can it then justify its delineation of boundaries where, quite obviously, the rural population will be entirely dominated by the suburban communities whose democratic interests are wholly urban orientated? Again I must refer to the Wetaskiwin-Yellowhead situation. The density of the urban-orientated population concentrated in the commuter towns of Spruce Grove, Stony Plain and Winterburn and surrounding acreage, is not comparable to the population dispersal in the farmland and national park area to the west of this region. There is a disparity, and the denser populated region will almost certainly be the dominating influence in the proposed Yellowhead riding.

The situation in which any member representing Yellowhead constituency will find himself cannot be overlooked in the examination of the proposed electoral boundaries. It is entirely conceivable that this individual will be placed in a position where he cannot adequately pursue and forward the interests of agriculture, natural resources, tourism, and the urban commuters in the eastern part of his constituency. The emphasis attached to tourism and the urgency of the development of our natural resources may well overshadow the concerns of the Edmonton oriented suburban group.

Indeed the issues and problems of Jasper National Park and the town of Jasper alone are quite complex. The interests and goals of individuals living in the present Rocky Mountain constituency are peculiar to that area alone and demand the full and individual attention of their member of parliament. Will that member be able to represent adequately the divergent interests of the socio-economic composition of both the eastern and western parts of the proposed electoral district?

Since the electoral system is for the primary benefit of the electorate, constituency boundaries must be easily defined and readily identifiable by the constituency population. Riding units should be cohesive and possess as great a common community interest as possible, recognizing working patterns, marketing areas, and demographic factors.

A constituency deserves and should expect the close attention of its member; by this I mean his intimate knowledge of its communities, people, and particular problems, and his regular personal contact throughout that riding. Rural areas generally have been deprived of representation equal to that of urban areas simply because of the distance factor. Because of the increasing difficulty involved in representing a rural constituency, in particular the distance a representative must travel, it is reasonable to expect a rural riding to have a smaller population than an urban riding which is much easier to service.

In the case of the change being made to the Wetaskiwin and Yellowhead constituencies I submit that it would be much easier for the member from Wetaskiwin to serve some 6,000 people living in the commuter towns just outside of Edmonton. The member for Yellowhead, who already has a riding almost three times the size, would be much freer to serve his much larger, more sparsely settled riding than at present. The fact that the urban-orientated area has now entered into a slower expansion era and must now catch up with services such as sewer, water, health and recreational facilities, should not concern the commissioners with regard to projected growth in the area.

Even though the river is a natural boundary, the fifth meridian that was used prior to public hearings adequately divides the commuter area from the other demographic region. This area is used to being in the constituency of Wetaskiwin; it has been there for the past ten years.

I must complain about the fact that no reasons were given for the change from the pre-public hearings to the after public hearings maps. The people in the area extracted from Wetaskiwin and placed in Yellowhead constituency were extremely surprised by the move. They submitted no briefs to the public hearings because they were satisfied with the original delineation. In fact I believe that only one brief was submitted from that area and it was in support of the boundaries as they were then drawn.

I must voice my frustration, and the frustration of some of my colleagues, with the fact that the commissioners did not cite reasons for making changes. The whole burden for launching an attack lies upon the shoulders of the general populace of the area, the members of parliament, and interested organizations. The commissioners in turn never are required to justify their decisions. How are individuals supposed to understand why they have suddenly, for no seemingly apparent reason, been pulled out of one constituency and thrust into another?

At the present time Alberta has 19 seats in the House of Commons, seven of which are totally urban and 12 of

which are rural. With the new proposed boundaries the province will gain two seats. The urban-rural breakdown will be ten to 11. In other words one rural constituency will be lost, therefore making all rural ridings larger than at present. While we recognize that a reasonable effort has been made to delineate boundaries on the east-west line rather than on the pattern as it was before on the north-south boundary, making the riding of Rocky Mountain House very large and hard to represent, we must still complain to the commissioners about the size of the rural constituencies.

I realize that the task of the commission is an extremely difficult one. It is no simple matter to undertake to draw lines on maps, and regardless of where the boundaries are drawn some people will, of course, complain. Admittedly many of the inadequacies of the last redistribution have been rectified. However, I must in conclusion re-emphasize that we now have something new in Alberta since the distribution of 1961, and that is the commuter acreage areas around the two large cities of Edmonton and Calgary. This recent development was taken into consideration and recognized when the boundaries were drawn on the pre-hearing map. The riding of Pembina encompassed the commuter population to the north and east of Edmonton, and Wetaskiwin the towns to the south and west of Edmonton. In the recent map, for unknown reasons, this has been changed.

The danger of dominance of thicker density populated areas over more sparsely populated regions should not be underestimated in deciding upon boundary lines. This can and will create very real and serious problems for constituents and members of parliament. We must recommend in all sincerity that the commission reflect upon these objections and recommendations and reconsider its decision.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, as an opening comment in this debate about the new proposals for the Alberta redistribution of federal seats I should like to say it is really much better than the previous attempt in 1973. Of course that one never became operative. This one is much better for my Medicine Hat federal riding.

I would go on to say that, if the only criteria for change were to increase both area and population, then the new proposal that we are discussing tonight for my Medicine Hat riding is both fair and proper as it accomplishes this with the least disruption. It extends the northwest corner and the north side to include the town of Brooks and Bassano and those areas up to the Red Deer River.

● (2140)

I agree with point No. 5 on the objection's statement, which reads:

The commission has failed to take into consideration the size of some of the rural constituencies it has created, and the difficulty involved in representing an area that large. Although Alberta's representation has increased from 19 to 21, three of these go to Edmonton and Calgary, so that rural Alberta loses one seat.

I suggest sincerely that the 25 per cent variation rule has not been used sufficiently in large, rural constituencies such as Medicine Hat. I am well aware of the principle of representation by population and the specific reference to this principle in the Canada *Gazette* edition of February 21, 1973, outlining Alberta's federal redistribution and later

[Mr. Schellenberger.]

references for Alberta. However, I seriously ask this question: is it right and proper that Calgary and Edmonton, with 52 per cent of our provincial population—that figure was used in the proposal—should have almost as many seats as all the remaining cities and towns and, most important, the entire rural areas combined? My answer of course is that the proposed new electoral boundaries are inequitable and ignore the well founded and continuing importance of agriculture and of rural cities, towns, and villages, to our total Alberta economy.

There is now reasonable agreement by governments that the present trends to large super cities should be altered in favour of population and industry dispersal policies. I cannot argue that the "rep-by-pop" principle is unfair when population only is considered; but in view of static or even shrinking rural populations over vast areas we must surely recognize that crowded city living is not in itself justification for over representation in our large cities. Our shrinking rural populations have been due to a vastly increased size of farms brought on by modern agricultural technology and the need for production efficiency. There are now clear signs that the exodus from rural areas may be ending, and in Alberta new provincial policies are being introduced to point out once more that rural industry and living should indeed be considered and encouraged.

The question of enlarging the number of seats in our House of Commons has now achieved some reality. Passage of time and Canadian population growth will make still further enlargement necessary. When this point in our history does arrive I, for one, sincerely hope that these lessons in economic and political disparity, together with the development of our north, will not be sacrificed completely to the cold analytical approach of a purely academic "rep-by-pop" system.

While I have been a member of parliament for only three and a half years I am already acutely aware of the physical problems in properly representing the Medicine Hat federal constituency. It is almost 300 miles by road from Empress, in the northeast corner, to the opposite corner on the U.S. border southwest of Lethbridge. One half of the present population resides in Medicine Hat and Redcliff. The other half includes all the remaining towns and rural residents. With the obvious requirements for House attendance, regular weekend constituency visits are impossible. Travelling schedules from Ottawa to Medicine Hat are such that it takes me much longer to travel from Calgary to my home than from Ottawa to Calgary. A Friday afternoon to Monday noon week end away from Ottawa nets me only about 24 hours in my constituency. I have partially resolved this problem with a constituency office in the city of Medicine Hat. It is run by a very competent secretary five days a week. The proposed new Medicine Hat boundaries will still further aggravate these physical problems, due to a larger area and a larger proportion of the population coming from rural towns and strictly rural areas.

May I make some appropriate comments about the new areas to be added to my riding? I am genuinely pleased to see the addition to my riding to the intensive irrigation districts adjacent to Brooks and Bassano. These regions are surely among the most extensively developed irrigation communities in Alberta, which of course means in all

Canada. This means that my Medicine Hat riding would include nearly all of the intensive irrigation areas of Alberta and, therefore, of Canada. The beautiful towns of Brooks and Bassano are really the products of 70 years of progressive irrigation. The growth of trees, orchards, lawns and shrubs is a joy to behold after one has travelled across the dry land prairies.

I would be remiss in my duty if I did not refer to the new addition across the north side of Medicine Hat riding, that area adjacent to the Red Deer river, east to the Saskatchewan border. This addition contains some of the finest ranch lands in Alberta's short grass, chinook country. It also contains the historic and scenic Dinosaur Park and Bad Lands along the Red Deer River. I also point out that the well known Suffield military reserve of some 1,000 square miles, about which I have been so concerned this last month, will now be totally within Medicine Hat riding.

While I am deeply disturbed and concerned about the physical aspects of representing an ever increasing rural constituency, and although I worry about the dwindling voice of agriculture in this parliament, I am genuinely pleased at the prospect of representing these new additions to my Medicine Hat riding.

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I should like to take this occasion to place before the House and government a proposal to honour the memory of a great citizen and chief magistrate of Edmonton, the late William Hawrelak.

Mr. Andre: A Grit.

Mr. Guay (St. Boniface): And a great Canadian.

Mr. Paproski: It is the desire of large numbers of citizens of the community to which Bill Hawrelak devoted himself that his memory should be preserved in a tangible and appropriate manner. I am therefore proposing, with the support of a great many citizens of Edmonton, regardless of political affiliation, that Edmonton Centre riding be named Edmonton Hawrelak, in order to perpetuate the service and the memory of this great Canadian who did so much for the citizens of this community.

Bill Hawrelak came from the Ukrainian community of Alberta. He was a son of one of those numerous families who came from the Ukraine in search of freedom. Bill grew up in the farm community of Wassel, Alberta, northeast of Edmonton, and came to Edmonton where he entered municipal politics, finally becoming mayor, and serving for many years. The modern city of Edmonton is Bill Hawrelak's monument. His monument lies also in the hearts of the various groups to whom he dedicated himself so unstintingly. I feel that in giving Bill Hawrelak's name to this riding in the city of Edmonton a well merited action would be taken to perpetuate his work and his service to his community, his province, and his country. I am hopeful that this proposal from this community will be given to the proper authorities for implementation. I am certain that it will receive a wide cross-section of support, regardless of political affiliation or racial descent. Bill Hawrelak was a man who put people first and I am deeply convinced, Mr. Speaker, that the people of Edmonton Centre and, indeed, the entire community, would be deeply appreciative of this action.

Mr. Blais: What's the angle?

Mr. Knowles (Winnipeg North Centre): What about calling the constituency Edmonton-Paproski?

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, if the hon. member for Winnipeg North Centre (Mr. Knowles) would move that the constituency be renamed Edmonton-Paproski, I would second the motion.

Mr. Paproski: What about calling Winnipeg North Centre Winnipeg-Knowles?

● (2150)

Mr. Andre: Mr. Speaker, this debate is one step in what has turned out to be a very long process of arriving at new maps for redistributing the electoral districts of Canada from which the members of this House are elected.

The House of course knows that according to the old act the redistribution was to occur as soon as practicable after the 1971 census. This procedure caused new maps to be presented early in 1973, which was in the midst of the term of a minority government. I think it is fair to say that in addition to the reasons given, namely, that the previous act was not truly satisfactory, the fact that with a minority government an election could occur at almost any time had a lot to do with causing members of the House to respond favourably to the suggestion that redistribution be set aside and that a new method be found for deciding upon the electoral districts in the provinces of Canada.

I might say that in terms of my own constituency of Calgary Centre the 1973 map was not that great. It was not that suitable. Basically, it was cutting off one third of the existing constituency of Calgary Centre and adding the equivalent amount of population and geography from other constituencies, but in a manner which dissected existing communities and associated people together who really did not have a common community of interest.

As a result of this decision to set aside redistribution, the Standing Committee on Privileges and Elections was presented with a reference from the House and a proposal from the President of the Privy Council (Mr. Sharp) on how a new House might be constituted and how the electoral district maps might be decided upon.

I might say in passing that that proposal for deciding upon the basis of the new House did not meet with my approval for the simple reason that it called for an increase in the size of the House. I do not think that would contribute to more efficient conduct of the House of Commons or of the Government of Canada.

As a result of a process of debate and discussion this new procedure was decided upon. It was very similar, except for the number of seats allocated per province, to the old procedure in that an "independent commission" was to be established in each province with a mandate for deciding upon the electoral districts within each province, based roughly on the concept that each electoral district should have an equal number of electors within it.

There were a couple of changes made. One change in particular was unfortunate. The change was that the commissions could no longer take into account trends but rather should be restricted to the data available from the

most recent biennial census. As a result of that we had a situation in Alberta where the constituencies very rigorously followed the act, as is most proper, and therefore the commission cannot be faulted, but that resulted in some anomalies that, although not severe now, will be severe in the near future because of growth patterns within the existing cities. One possible consequence was talked about by my colleague, the hon. member for Wetaskiwin (Mr. Schellenberger).

As I understand the commissions will have the benefit of this debate, I must state that the commission in the province of Alberta produced a map in 1975 that was a considerable improvement over the map produced in 1973. It was not perfection, and that is a subjective thing, but it was nonetheless a considerable improvement.

There were a few things in association with Calgary Centre to which we took exception. This was with regard to where the boundaries cut through existing communities. As a result of our feelings on this we made representation to the commission. I am pleased to say the commission accepted the recommendations we made. I suppose I feel that way because they did, but nonetheless I think it demostrates the responsiveness of the Alberta commission to reasonable suggestions. Therefore they should be applauded. Consequently in terms of the last issue of maps produced in January, in terms of my constituency and the city of Calgary in general, the map meets with the approval of the members and the people of the city, at least as far as I can see.

In the last minute before ten o'clock I wish to acknowledge the problem raised by my colleague, the hon. member for Medicine Hat (Mr. Hargrave), respecting the inability of our existing system to acknowledge the need for regional representation. This would acknowledge the fact that somehow there is a difference in terms of population within densely populated cities and within rural areas. Somehow that should be reflected in our system. That problem, and the fact that the committee of the House of Commons when looking at redistribution the last time overlooked this, constitute something that is unfortunate. One never knows the schedule of this House, but I hope that sometime in the not too distant future this House will address itself to the question of how we can provide representation in the House of Commons that is fair and equitable, taking into consideration regions, areas, remoteness from existing communications, travel centres, Ottawa, and so on.

I see that it is now ten o'clock. I merely want to repeat that in my opinion the commission for Alberta, given the existing act, has done a very credible job. I have to voice my approval of that.

Mr. Deputy Speaker: It being ten o'clock, the debate on the objection to the report of the Electoral Boundaries Commission for the province of Alberta is adjourned.

[Mr. Andre.]

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

TRANSPORT—REQUEST THAT DEPARTMENTAL CONTRACTS SPECIFY USE OF CANADIAN CERAMICS

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, it is not often one gets to speak twice in a matter of half an hour.

The only way that small secondary industry is going to get ahead in Canada is if it receives the support in many cases of the federal government. An article in the March 6, 1976, edition of the *Financial Post* states that imports are strangling Canadian secondary industry. It is no wonder. A case in point was brought out by my question of December 12, 1975, when I asked the Minister of Transport (Mr. Lang), and I quote:

● (2200)

Because of the comparative advantage we enjoy in the ceramics industry in Canada—

I am not so sure we can maintain this advantage if the government keeps acting in the manner it did with regard to the Calgary airport contract.

—will the minister, together with the Minister of Supply and Services and Minister of Industry, Trade and Commerce, assure this industry that government contracts will specify the use of available Canadian ceramic products and that we will not follow the practice followed in the case of the new Calgary airport?

The minister replied that the government observes some broad rules—and I emphasize the word broad—in connection with Canadian materials. He continued:

I do not know if they apply in the particular case in question, or to a specific tendering operation, but I will look into the matter.

The case I am referring to concerned the letting of tenders for ceramic tile for the new airport at Calgary. The specifications stated a Canadian tile should be used. Canadian tile and German tile were tested by the Alberta Research Council; both were deficient in some areas, but the German tile had more deficiencies. Then it was brought to the attention of the government that the specifications were more stringent than Canadian government specifications board standard No. 75-GP-1B. Subsequently, the tenders were issued on the revised specifications to which Canadian tile could subscribe. Tenders were submitted; Frontenac Tile and International Brick and Tile, both Canadian companies, and a Germany company submitted quotations, and International Brick and Tile was the lowest Canadian bid.

The architect stated he wanted German tile because he was familiar with it and would guarantee it. But the Research Council of Alberta had done extensive study and tests on Alberta tile, and had in fact helped set up the process and kilns and was prepared to stand behind it. The province of Alberta's minister of transport was prepared to give assurances as to the ability to deliver on time and would give written guarantees. Federal people on site

seemed satisfied at the time. However, after all these assurances the government gave the contract to a German company and based its decision on the uncertainty of deliverability. Unreal, Mr. Speaker!

I can only say that I hope that after the minister looks into this situation he will see that this does not happen again. International Brick and Tile now is making pottery and is intending to sell its tile kiln as it cannot get the reputation needed to break into local markets. The ceramic industry in Canada is viable and competitive, but it is just getting started and needs the kind of help that government can give it by awarding contracts for this type of tile to Canadian owned companies whenever possible, even if the process is a little more complicated.

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the hon. member will be pleased to know that we have advised the Calgary project office to revise the specification to a Canadian government specifications board standard which had been developed in conjunction with Canadian industry. However, as it was too late to issue that change before tenders closed, the general contract was awarded but the contractor was instructed to obtain quotations on the revised specification and specifically to invite tenders from two Canadian manufacturers who had questioned the specification.

In the re-tendering, International Brick and Tile of Edmonton submitted an identical price to that of Darlington-Haskins and Company of Vancouver, the original low bidder who was supplying a tile manufactured in Germany. Both companies were asked to supply test reports to show that they could meet the CGBS standards. The Darlington-Haskins test exceeded the specification while International Brick and Tile were not able to furnish test reports. This company, Mr. Speaker, was in the process of developing a tile and had not yet produced one which would meet the standards. We have been in contact with them since, and as of October they still did not have satisfactory test results to show us. Therefore the contractor was authorized, on June 30, to place an order with Darlington-Haskins and Company for the supply of quarry tile in the interest of permitting the job to remain on schedule.

As a result of the above, its associated problems and other objectives of the ministry, the following actions are taking place. First, as a participant on the interdepartmental policy committee for the Government of Canada master specifications we are formulating a uniform course of action with all five member departments, Public Works, National Defence, Industry, Trade and Commerce, Indian Affairs and Northern Development and Transport with respect to both Treasury Board's policy and guidelines on contracting, and Ministry of Transport contract regulations on the use of Canadian products.

Second, the implementation of the use of the master specification for projects within the regions is at a high degree of achievement. An integral part of the master specifications is the standards which are set by the Canadian government specification board, which includes ceramic tile.

Finally, it is now mandatory for all consultants engaged by the Ministry of Transport to use the master specification exclusively.

NATIONAL DEFENCE—POSSIBLE CLOSURE OF BASES IN NOVA SCOTIA—REQUEST FOR CONSULTATION WITH PROVINCIAL AUTHORITIES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, on a number of occasions in the last couple of weeks, and indeed over the last number of years, I have found myself raising in this Chamber what I consider to be serious questions with respect to programs of base consolidation and closure.

This evening I find myself at it again because rumours continue to flourish with respect to bases at Moncton, Chatham, the airborne regiment at Namao, part of base Calgary, London, my own base at Shearwater and Dartmouth—

An hon. Member: Winnipeg.

Mr. Forrestall: Winnipeg will not do too badly from what I gather, because they are going to move the research station from Medicine Hat over to Winnipeg. That is decentralization à la Winnipeg Richardson.

Some hon. Members: Oh, oh!

Mr. Forrestall: When there was a fire at Greenwood, for example, the people at the base there, businessmen in the surrounding community, went into Halifax, sat down in the premier's office, called the Minister of National Defence (Mr. Richardson) and forced him to give a clear undertaking that nothing would happen to Greenwood. That is fine for Greenwood. But what do we do at Shearwater? Do we burn down the gymnasium? Do we burn down half of Dartmouth and then get on the phone to ask for some assurance that this base will not be so seriously disrupted in a precipitous way that the civilian employees and the surrounding economy will suffer unduly?

I have asked the government, if it insists on going ahead with widespread closures, to establish an interdepartmental committee within the cabinet which would take into account the sociology of the question, the background of the civilians concerned. I have pointed out that these men are, by the government's own definition, technology redundant people, people who would not in most cases have more than a 20 per cent opportunity of ever regaining permanent employment.

We need an interdepartmental committee, on top of which must be a cabinet committee, which would look at the sociological and economic impact of these moves, which would consider the relocation and retraining of those people with some humane concern. I find myself speaking here this evening because at the root of all this is clearly the avowed intention of the Prime Minister (Mr. Trudeau) to reduce the Canadian armed forces to a level below which they cannot posture as a defence force but merely as a para-military police force functioning in aid of the civil power. That is not good enough.

● (2210)

So that my words of wisdom will fall clearly on all ears let me repeat them. When I first came to this Chamber ten or 11 years ago the armed forces had their share of the gross national product. They played their part in the ability of the country to grow. We maintained an adequate posture in the eyes of our neighbours to the south and our allies in Europe. We were able to play a meaningful part in collective continental defence and elsewhere. This had an influence on our export trade. We had good will, in other words. We were treated at a high level in respect of need to know. Ten years later we have lost access to partnership on a need to know basis.

Our Prime Minister is being told to put up or shut up. I find it offensive that anyone would have to speak that way to my Prime Minister. I would remind the members of this Chamber of that. These are matters of concern. I suggest that they are emphasized by the continuing rumours. We understand it is the clear intention of the Department of National Defence to submit to its minister, and subsequently to cabinet, a list of recommendations that will include not only the bases I have mentioned but possibly seven or eight more. These closures or consolidations will affect some 7,000 or 8,000 civilian employees, their wives and families, and the communities in which they live. We should not do this lightly. I wonder whether tonight we might hear more about when this report will be presented to the minister, when it will go to the cabinet, and what generally is the attitude of the government in respect of handling this very serious and important departmental report.

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, as the hon. member for Wetaskiwin (Mr. Schellenberger) said a few moments ago, it is not too often one has an opportunity to speak twice in this Chamber during a short period of time.

I was beginning to wonder whether the hon. member for Dartmouth-Halifax East (Mr. Forrestall) had a question or was merely making a speech. In any event I will try to meet some of the issues he raised. I must say I agree with him that most of the questions I have heard the hon. member put in the House are serious questions. I certainly understand his concern with regard to Shearwater and Greenwood. I would, however, like to try to correct a couple of misrepresentations of fact he made which I am sure he did not make intentionally. Certainly the Premier of Nova Scotia did not have to force out of my minister a statement concerning the future status of Greenwood.

Mr. Forrestall: Read the Halifax *Herald*.

Mr. Dionne (Northumberland-Miramichi): I did read the Halifax *Herald*, but that is not necessarily the most credible voice in the country either. The situation of course is that the minister is endeavouring to use the budget of the department as wisely and efficiently as he possibly can. It is a well known fact that the armed forces have a very large overhead, so to speak, or infrastructure.

I must take issue with the hon. member's contention that it is the intention of our Prime Minister (Mr. Trudeau) to reduce our armed forces to a paramilitary force. That, of course, is patent nonsense. We have undoubtedly the most professional armed forces in the world today. We have one of the most efficient forces in the world. The fact is that the minister has asked within his department for a review of the infrastructure of the armed forces. He now has the report of the group that carried out the study. He is working on it at the present time. It has not been presented to cabinet and therefore no decisions have been made with regard to the closure of any base, the phase out or the reduction of any base to this date. There may well be some.

The hon. member's statement that seven or eight bases would be closed is probably a gross exaggeration. The statement that 7,000 or 8,000 employees would lose their jobs is also probably an exaggeration. The hon. member also suggested that an interdepartmental committee be established to look into the economic and social effects of this kind of government action on the communities involved. I want to tell the hon. member that such a committee exists. It was set up in the fall of 1974 or the spring of 1975, at my request to the Prime Minister after the closing of a military base in my constituency was announced.

In summary let me say that no decision has been made to close, reduce, or alter any base in the country. The minister has made no recommendations to cabinet to date, and therefore no decision can be made until cabinet considers the minister's recommendation.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10:17 p.m.

HOUSE OF COMMONS

Friday, March 12, 1976

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

ADMINISTRATION OF JUSTICE

Mr. Speaker: Order, please. Proceedings under Standing Order 43. Before we proceed with the oral question period, may I say that hon. members probably are aware that I have received a notification from the Minister of Justice of his intention and desire to table a letter that I think has been referred to previously. In addition, in respect thereto I have received notices of intention by three ministers to raise a question of privilege. In all four instances there is an indication, with the letter that has come to the Chair, that because of the importance of the subject matter it would likely be in the best interests of relevant proceedings that these events take place prior to the question period. Of course, that would set aside the procedure which we have followed since last Easter.

May I first, therefore, indicate that I think it would be the desire of the House to accommodate that point of view in order to make for a more relevant question period. It would seem that the question period, if it were concerned with these events, would become somewhat of an anti-climax.

Therefore may I ask, before considering that request, whether or not the House gives its unanimous consent to allow the tabling of the document by the Minister of Justice and the proposed questions of privilege by these three ministers.

May I say to the House, before asking the House for its consent, however, that rather than attempt to follow each proposed question of privilege with a discussion by the House in respect of the question of privilege on its merits, it would seem to me that a more orderly procedure would be to take all three statements in respect of the notices of privilege given by the ministers, and then the Chair would have to decide, in order to accommodate the opposition in respect of the right it might ordinarily enjoy in those circumstances, either on a question of privilege or whatever content may develop, whether the Chair ought to extend its discretion at least in a question period which would run until, in my opinion, the matter had been thoroughly explored.

● (1110)

Possibly, depending upon the content of the declarations made by the minister in respect of the proposed questions of privilege, all the declarations might be followed by a statement by one spokesman for each party. But that is a decision which will have to be made only after the House has heard the content of the statements. If the House is agreed on that general procedure, may I ask that hon. members give their unanimous consent to proceeding in that manner. Is that agreed?

Some hon. Members: Agreed.

* * *

ADMINISTRATION OF JUSTICE

TABLING OF REPORT OF CHIEF JUSTICE DESCHÊNES AND STATEMENTS BY MINISTERS

Hon. Ron Basford (Minister of Justice): Mr. Speaker, pursuant to the unanimous consent just given, I wish to seek leave of the House to table, in both official languages, a letter from me to the Chief Justice of the Superior Court of the province of Quebec dated March 4, 1976, and the reply from the Chief Justice of the Superior Court to me in its original form, dated March 10. I will make available, if I may table in the same motion in a few moments, two additional texts of the same letter, one in the English language and one in the French language in that the original letter of the Chief Justice is in both languages. I would ask that these two letters be appended to today's *Hansard*, if that is the wish of the House.

Some hon. Members: Agreed.

Mr. Speaker: Before recognizing one of the ministers, may I ask whether copies of the correspondence have been made available to opposition parties.

Mr. Clark: Just now, Mr. Speaker.

[*Editor's Note: For correspondence referred to, see Appendices "A" and "B".*]

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I first want to tell the House that this morning the *Globe and Mail* published an article containing an apology.

[*English*]

The *Globe and Mail* regrets any embarrassment caused to Mr. Chrétien by publication of the allegations made by Mr. Justice Mackay.

[*Translation*]

I thank the *Globe and Mail* for publishing that retraction.

Mr. Speaker, last week I tabled in the House a letter I sent to the right hon. Prime Minister in which I established the facts. Later the House also allowed me to table a letter from Mr. Justice Mackay in which he withdrew his previous statements. This morning I would like to complete the record by reading to the House a letter I am

sending immediately to Mr. Justice Aronovitch, which reads as follows:

[*English*]

Dear Mr. Justice Aronovitch:

Needless to say, I was very upset when I heard last week of the allegations to be published in the *Globe and Mail* that I had once interfered improperly in a case before you.

I am writing to express my appreciation to you for having acted quickly last week. As you know, once the facts were made known, the allegations about me were withdrawn by Mr. Justice Mackay.

When I called you originally, I did so as a member of parliament on behalf of the unemployed of my constituency. In your report to Chief Justice Deschênes of the Superior Court of the province of Quebec, you recognize this fact, and I am pleased that you "did not consider it to be interference or intervention calling for formal protest". On the other hand, you did not consider my call to be "proper practice"; and therefore I regret any embarrassment this episode might have caused you.

Sincerely yours,

Jean Chrétien.

I did explain myself in the House last Wednesday. If I annoyed Mr. Justice Aronovitch, I am sorry. As the member of parliament for the riding of Saint-Maurice who was confronted with a very difficult situation, and because I acted in good faith, I am sorry if I annoyed Mr. Aronovitch, but I did that for the purpose I explained to the House.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have read Mr. Justice Mackay's report to Chief Justice Deschênes on the circumstances of my visit to him, on March 8, 1970. I should like to make one or two observations.

First, I did not tell the judge that a telegram had been received by the Prime Minister from Prime Minister Williams, but that the Department of External Affairs had received a telegram from the Canadian High Commissioner, on Friday, March 6, transmitting a request from Prime Minister Williams that he be informed when the verdict could be expected. The Prime Minister of Trinidad stated that he made this request in view of his grave concern that riots and bloodshed would break out at that time.

Second, during my visit to Mr. Justice Mackay, I repeated to him the information available to us about the situation in Trinidad. I informed him of the request by Prime Minister Williams. In the course of our conversation, I also indicated to him that our High Commissioner had reported that the Governor General of Trinidad had called him to his office to inform him that he was most seriously worried about the situation. The Governor General of Trinidad expressed the hope that tempers would have time to cool down before the verdict.

Third my visit followed urgent representations made to the Prime Minister's Office by the Under-Secretary of State for External Affairs, late on Friday, March 6, informing us of those facts and requesting our assistance in order to determine the time at which the trial would be concluded. The Prime Minister was then on an official visit in the Arctic and was in the region of Igloolik and Spence Bay.

Fourth, my visit had no other purpose than to determine the approximate time when a verdict would be rendered

and I deeply regret that Mr. Justice Mackay may have interpreted my visit as aiming to delay the conclusion of the trial. I wish to state, without any reservation, that such was not my intention.

Fifth, I sincerely regret any embarrassment I may have caused Mr. Justice Mackay.

Sixth, I am grateful to Mr. Justice Mackay for stating his view that my visit "was clearly inspired by (a) great concern for the nation's interests and not by personal reasons".

[*English*]

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Drury: —I stated in the House on March 3 that in the matter of my communicating with the Associate Chief Justice of the Superior Court in Montreal I did not attempt to influence the decision. I have read the report by the Chief Justice of the Superior Court of Quebec to the Minister of Justice, and in particular Mr. Justice Hugessen's account of this event. I was pleased to note that the Associate Chief Justice expressed the view that he did not think I, and I quote, "was attempting to influence his judgment."

Some hon. Members: Hear, hear!

Mr. Drury: I have long respected and endeavoured to the best of my ability to protect the independence of the judiciary, and with the remarks of the Chief Justice on the necessity of this I am also in full agreement. I very much regret taking the action which I did and which the Associate Chief Justice has characterized as improper, and for this I sincerely and deeply apologize to all those affected.

I have, accordingly, tendered to the Prime Minister (Mr. Trudeau) my resignation from the ministry.

Mr. Speaker: Having indicated earlier that some decision would have to be made as to whether opposition comments should be made before the question period begins, I might first of all say that in order to keep things in an orderly proceeding, three notices of privilege were received by the Chair and the three ministers involved, or hon. members involved, who gave the Chair notice of the intention to raise a question of privilege have done so.

● (1120)

It would have to be without any further discussion that the Chair ought to find that there is no prima facie question of privilege that ought to be put, under that heading, to a decision of the House. However, I think it might be appropriate that each of the opposition parties be now given an opportunity to make a brief comment on those three questions of privilege before we proceed. The hon. Leader of the Opposition (Mr. Clark).

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my comments in response to the three questions of privilege just raised will be brief. I want to begin by making it clear that as far as members of my party are concerned, we believe that the Minister of Public Works (Mr. Drury) has

taken an honourable course in offering his resignation from the cabinet. I think there can be no cause in this House or anywhere else in the country for any pleasure at that decision. I think all of us recognize that the action he has taken is entirely consistent with the very high standard of public service and dedication to public service which have marked his distinguished career in Canada through the years.

Some hon. Members: Hear, hear!

Mr. Clark: My colleagues and I, and, I am sure, the whole House, are pleased to have now received the apology of the President of the Treasury Board (Mr. Chrétien) relative to his involvement in this matter, and the expression of regret of the Minister of National Health and Welfare (Mr. Lalonde) relative to actions in which he was involved prior to his election to the House and during the period when he was on the staff of the Prime Minister of Canada (Mr. Trudeau).

I think that without expanding upon the comment any further, it is entirely appropriate for us to say that the events here today indicate the very clear need to establish firm, unequivocal standards relative to the absolute independence of the judiciary in Canada and absolute restraint from any kind of involvement or intervention by ministers of the Crown with any court anywhere in the country.

Some hon. Members: Hear, hear!

Mr. Clark: I should also say that we remain interested in determining the exact nature of the involvement in any of these events of the Minister of Consumer and Corporate Affairs (Mr. Ouellet), and we intend over the next days in this parliament to follow every course we can to ensure there is placed upon the full public record an indication of any activities by that minister which were involved in this affair.

I want to deal very quickly with the report of Chief Justice Deschênes, which I appreciate having. I have to say, however, without wanting to enter a serious complaint, that I regret this was made available to me and to representatives of other parties only moments before proceedings began in this House of Commons. I think there are some matters of particular import in that report which I should like to put on the record of the House of Commons. I should like particularly to quote from the report of Chief Justice Deschênes, page 4 of the English version, as follows:

> I was not appointed to conduct a commission of inquiry and of course it is obviously not one of my functions to set myself up as a semi-official investigator on behalf of the House of Commons.

Some hon. Members: Hear, hear!

Mr. Clark: That is an entirely appropriate position by the Chief Justice of the Superior Court of Quebec. In my view, it served to underline the point that has been made frequently in this House, that it is not sufficient to limit an inquiry into this question which involves the conduct of ministers and the propriety of that conduct to a judge of the Supreme Court of Quebec. That inquiry is not one for the Superior Court of Quebec but is, rather, one for the highest court in this land, the Parliament of Canada.

We expect, and we will certainly request, that there be now established a full public inquiry whose terms of reference will be determined not simply by the government but also by representatives of other parties in this parliament. It will be a public inquiry to look into all aspects of this case which has led to the regrettable resignation of the Minister of Public Works and statements of apology and regret by other ministers of the Crown.

I want to bring to the attention of the House the concluding paragraph in the report of Chief Justice Deschênes in which he explicitly requested that the report be made public. He said:

> Indeed I would see some advantage in doing so, so that the public may be reassured of the integrity of the judiciary, in view of the negative results of the approaches of which my colleagues were the object.

I draw to the attention of the House that Chief Justice Deschênes referred to "approaches," in the plural, and was concerned that more than one approach of the three under this consideration raised questions relative to the reputation and integrity of the courts of Canada.

Sir, I will not go on further. I repeat, on behalf of my party and, I think, all members of the House, our appreciation of the action that has been taken by the Minister of Public Works.

An hon. Member: And your pleasure.

Mr. Clark: It is not at all our pleasure. We think it is a matter of great regret that events should have forced a man of his reputation and deserved respect in the land to come to this point.

We of the official opposition are not satisfied that the matter has ended here. The report of the Chief Justice of the Superior Court indicates that he recognizes that he was to undertake a limited inquiry. The report also indicates that actions were undertaken by ministers of the Crown which put in jeopardy the independence of the courts of Canada. We in this parliament want to know what kinds of conversations led to these interventions. We in this parliament want to know what kind of standard will be established in future to ensure that this kind of attack, this kind of intervention which may affect the integrity of our courts, will not recur. We intend to insist with all our vigour upon a full and open public inquiry into all the aspects, including the participation of the Minister of Consumer and Corporate Affairs, concerning the events which led to the statements of privilege which we heard today.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I begin by congratulating the Minister of Public Works (Mr. Drury) for taking an honourable position in the matter, one which is in the highest traditions of parliamentary democracy as practised in our country and abroad.

Some hon. Members: Hear, hear!

Mr. Broadbent: The minister in question, after a distinguished career in the service of the people of Canada, recognizes the distinction to be made between matters of a strictly legal nature and those involving a minister's moral responsibility. That distinction is evident, but unstated, throughout the report submitted by the Chief Justice of the Superior Court of Quebec. The Chief Justice recog-

nized the limited nature of his inquiry and saw, as I understand from a brief reading of the report, that he has one set of responsibilities and ministers of the Crown, including particularly the Prime Minister, have a different set of responsibilities.

● (1130)

In my view, the Minister of Public Works drew the full, logical and traditional conclusion from the facts as presented in the Chief Justice's report and submitted his resignation to the Prime Minister (Mr. Trudeau). I note that the Chief Justice said in the report that Mr. Justice Hugessen does not consider himself to have been influenced by the intervention of the Minister of Public Works. That having been said, the Chief Justice of the Superior Court of the province of Quebec said!

I have little doubt that the facts related by Mr. Justice Hugessen are grave, considering the stature of the person making the call and the circumstances in which the call was made to him.

In other words, he is saying—not directly but implying it and leaving it to our wisdom—that we, as politicians, and ministers of the Crown should make the correct inference that such behaviour by a politician or a minister of the Crown is inappropriate. I repeat, in commendation of the minister, that he has taken the honourable course in submitting his resignation.

I want to say, also, that we accept the conclusion in the report concerning the President of the Treasury Board (Mr. Chrétien). We have some reservations about the position taken by the Minister of National Health and Welfare (Mr. Lalonde) in which the principal element of moderating circumstances is that his intervention, which is also a grave one, took place some six years ago. I think the minister is required to explain earlier statements in which it was said by him, if I recall correctly, that he was simply trying to ascertain the date of commencement of the proceedings. That is flatly contradicted in this report that we have today.

Some hon. Members: Oh, oh!

Mr. Broadbent: The serious implication in the report of the Chief Justice and the course of action taken by the Minister of Public Works in relation thereto flatly contradicts the whole line of argument made by the Prime Minister of Canada during the past ten days.

Some hon. Members: Oh, oh!

Mr. Broadbent: I say this most seriously, because my party is maintaining a call for the need of a public inquiry into this situation in order to get firmly established, publicly-known general principles about the division of responsibility between the executive branch of government and the judicial branch. The line of reasoning of the Prime Minister during the past ten days has been that no interference or no involvement by a minister of the Crown can be deemed to be inappropriate unless it has been perceived to have been such by the judges involved. That has been his consistent case. I submit, in that case, that he has been consistently wrong, and the evidence for it is the resignation of the Minister of Public Works.

Some hon. Members: Oh, oh!

[Mr. Broadbent.]

Mr. Broadbent: The report of the Chief Justice, including the quotation from Mr. Justice Hugessen, states that he did not perceive an interference to have taken place. The wording is:

—I did not think that he was attempting to influence my judgment.

However, the conclusion drawn by the Chief Justice of the Superior Court of the province of Quebec, and by the minister himself, is that the kind of action he did take, even if it did not influence the final outcome of the judge, was inappropriate action—and the minister resigned on that basis. I submit that the logic of the minister's course of action is that the Prime Minister's position for the past ten days has been incorrect and that there is a certain line of behaviour that is inappropriate for a minister to take, whether or not a judge on the case reports that he has been influenced. To push the Prime Minister's argument to its logical conclusion, to the point of absurdity—and I do so because it is a grave point the Prime Minister has made and this is why we want a public inquiry—is to say that if a judge of the courts of Canada accepts a bribe, he is not likely to say he has been interfered with. Does that mean that no wrong has been done?

Some hon. Members: Oh, oh!

Mr. Broadbent: The point at issue is not the subjective interpretation of members of the Bench of Canada, but what is or is not appropriate behaviour by ministers of the Crown. That is the issue, and that is the issue the Prime Minister has refused to recognize. I conclude by saying we will continue to insist upon a public inquiry into the broader aspects of this question. We will have particular questions for other ministers, notably the Minister of Consumer and Corporate Affairs (Mr. Ouellet).

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I think the event which concerns us this morning must be a landmark in the judicial history of our country. And I hope that after all the events of the last few days, today's discussions and actions will result in a warranty of the integrity of our judicial system all over Canada.

This morning, we heard excuses from the Minister of National Health and Welfare (Mr. Lalonde) and also from the President of the Treasury Board (Mr. Chrétien) and we consider that these statements are made by responsible people, and I hope they did not go further than they said in their excuses.

This morning, we accept, not lightheartedly, the resignation of a minister. He is one of the ministers I admired most in the House for his honesty and integrity. This probably shows that we the people—I want to be the people's voice—see that the function of minister is not always a sinecure, that this function brings some responsibilities. Above all, the ministers being surrounded as they are by people who constantly clamour for more, I can understand that they, or hon. members, might be tempted to try and give more help to those around them who exert pressures ceaselessly. That is how I see the work the minister did with the judge, and I congratulate him for his action this morning; it is a guarantee for Canada that, among parliamentarians, there are still people who can

recognize that they may have gone too far, who can go back and bow before the requirements of public interest.

I do not wish to blame anyone this morning but I do blame our judicial system. That is where the evil lies. As long as it is not reformed, as long as appointments are political in nature, more specifically those of judges, they as well as ministers will at times be forced to act as some ministers are being accused of having done this morning.

I will say no more. But I do hope sincerely that the Judges Act will be amended in such a way that a judicial reform will be undertaken so that, at long last, we will have independent judges in a judicial system that is free of all political influence. In politics, there are games, and ministers do make promises as everyone does in times of elections—promises that are never lived up to—but the judiciary should never be mixed up with politics. In closing, I express the wish that a bill will be introduced to free judges from political influence.

● (1140)

[*English*]

Mr. Speaker: Order. We have now heard comments from representatives of all parties in the House. I would think the decision as to the length of the question period ought to rest with the Chair. It will be determined, basically, by a consideration of whether, in terms of our Standing Orders, opposition members have a reasonable opportunity of exploring these issues without giving rise to a further question period today. In any event, the subject will not be fully dealt with today. I feel I ought to exercise discretion in determining the length of the question period, while giving hon. members a reasonable opportunity to put questions to the ministers concerned with these problems and other problems today.

ORAL QUESTION PERIOD

[*English*]

ADMINISTRATION OF JUSTICE

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REQUEST FOR PUBLIC INQUIRY AND CODE GOVERNING CONDUCT OF MINISTERS

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is to the Prime Minister. Since the report of Chief Justice Deschênes emphasizes that his inquiry was limited to the question whether the court was aggrieved and could not consider the question of the conduct of ministers, will the right hon. gentleman now meet with representatives of other parties in this parliament to determine the terms of reference of a full public inquiry into all aspects of this matter, including the conduct of the Minister of Consumer and Corporate Affairs and the standards which will be established with regard to the future conduct of ministers in their relations with the courts of the land?

Right Hon. P. E. Trudeau (Prime Minister): As to the question of standards, I feel it will be my duty now to make a statement on that aspect and I intend to do so later in the day if the House gives me an opportunity. I wanted to hear the remarks of the leaders of the different parties on that matter and reflect on them, then speak later in the day if I have permission. I would suggest four o'clock, Mr. Speaker. On that occasion I would expect the opposition parties to agree or disagree with the standards I propose to initiate, and then we can consider further if consultation or inquiries are needed at this point. I do not, for my part, see at this time that an inquiry would be helpful in setting standards. It might be that the opposition would wish to have an inquiry for other purposes. I will reflect on that.

Mr. Clark: I would say, just in passing, that if the Prime Minister intends to take time to prepare his code of standards for his ministers I hope he will give representatives of opposition parties equal time in which to consider that newly developed code to which we shall be expected to respond.

I take it that the Prime Minister is not at this stage ruling out the possibility of a full public inquiry. I would ask him whether, if he is given the permission of the House to make a statement this afternoon, he intends to say that a full public inquiry will be held, not simply—though including this purpose—an inquiry for the purpose of establishing future standards but also for the purpose of determining precisely what went on prior to the call by the Minister of Public Works to Mr. Justice Hugessen and other matters referred to in the report submitted by Mr. Justice Deschênes, including any conduct by the Minister of Consumer and Corporate Affairs which is germane to the subject. Will he give us a firm answer today relative to this question concerning a full public inquiry into these areas of past conduct which have not been investigated and about which the parliament and public of Canada have a right to be informed?

Mr. Trudeau: Yes, Mr. Speaker.

Mr. Clark: I understand the Prime Minister said, yes. He is nodding agreement. I wish to refer to page 11613 of *Hansard* at which the Prime Minister is reported to have said: "I listened to their version and feel that their explanations indicated clearly that they were not attempting to influence in any way the judgment of the courts." That indicates the conclusion of the Prime Minister on the basis of what he refers to as the version offered to him by his colleagues. Will the Prime Minister tell us, either immediately or later today, all the details of any information on this whole matter conveyed to the Prime Minister by the Minister of Public Works, the Minister of Consumer and Corporate Affairs or any other minister?

Mr. Trudeau: I am glad the Leader of the Opposition referred to my statement in the House because I think it was the most relevant issue to be determined. I think we have it clearly now from Chief Justice Deschênes and the court that there was no attempt to influence any judgment in a case which was before the court.

Some hon. Members: Hear, hear!

Mr. Trudeau: This is stated quite clearly and unequivocally. What does remain is what some hon. members have referred to—the appearance, and the fact the judges feel

this was not proper. The lack of propriety, I repeat, had nothing to do with any criminal action or any action improper in the sense that it was an attempt to influence a judgment. But it is the appearance of ministers phoning judges which is found improper by the judges, and it is this matter on which I shall have to state some code of ethics.

Mr. Clark: Do I understand, then, that the Prime Minister, if he is contemplating a public inquiry, intends to limit any such inquiry to the narrow question of the appearance of impropriety on the part of his ministers? What the House wants and what I am asking for now is a full public inquiry into all aspects of this case, including any conversations between the Minister of Consumer and Corporate Affairs and the Minister of Public Works or any other minister relative to questions brought before the courts of Canada.

● (1150)

Mr. Trudeau: Mr. Speaker, I understand what the Leader of the Opposition wants, and it was in order to hear his remarks and those of other leaders that I waited before saying I would make my statement later today. I will then say if I believe an inquiry is warranted and, if not, what other measures I propose to take.

INQUIRY WHETHER PRIME MINISTER HAS UPDATED THE PEARSON CODE OF ETHICS FOR MINISTERS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a brief question for the Prime Minister. The late Prime Minister Pearson, on November 30, 1964, by letter outlined a very admirable code of ethics for ministers of the Crown and employees of government. Has the Prime Minister ever taken any action up to this point to update or make formal these guidelines?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that statement was referred to at considerable length when we tabled in this House the rules relating to conflict of interest in the case of ministers, officials, members of the civil service and other sectors of the Public Service. We did not at that time consider the question of the relationship between the ministry and the judges.

KNOWLEDGE OF PRIME MINISTER OF REQUEST BY CONSUMER MINISTER FOR A MINISTER TO APPROACH JUDGE

Mr. Elmer M. MacKay (Central Nova): May I thank the Prime Minister for his answer and ask him a more specific question. To his knowledge did the Minister of Consumer and Corporate Affairs at any time—I repeat, to the knowledge of the Prime Minister—request or even suggest any intervention or approach by a cabinet minister or anybody else directly to a judge?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the minister did not make any such request of me; I do not know that he made any request of any other minister. I repeat that the case was discussed with me by the minister, and no doubt with other ministers, just as I am sure the hon. member for Central Nova would discuss with some of his colleagues the matter of Sky Shops which he has pursued. I suspect that the hon. member would expect conversations with his colleagues, whether in or out of the House, not to be revealed unless ordered to be revealed by an order of the court.

KNOWLEDGE OF PRIME MINISTER OF APPROACHES TO JUDGES BY MEMBERS OF HIS STAFF

Mr. Elmer M. MacKay (Central Nova): A final supplementary question, Mr. Speaker. Keeping in mind the apparently activist role played by the present Minister of National Health and Welfare when he was principal secretary to the Prime Minister, can the Prime Minister say whether to his knowledge any of the successors to the present Minister of National Health and Welfare in the office which he once held contacted judges for any reason?

Right Hon. P. E. Trudeau (Prime Minister): Certainly not to my knowledge, Mr. Speaker.

INQUIRY WHETHER CONSUMER MINISTER REQUESTED MINISTER OF PUBLIC WORKS TO INTERVENE WITH JUDGE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, at the outset I should like to indicate my party's agreement with the Prime Minister's suggestion that he make a statement at four o'clock on the issue of the public inquiry, and whether or not he plans to go ahead with the public inquiry. I wish simply to reassert our own strong plea that such is desirable.

Putting that to one side, I should like to ask the Minister of Consumer and Corporate Affairs a question. Following the decision of the Minister of Public Works to resign as a result of action that he took subsequent to a conversation with the Minister of Consumer and Corporate Affairs, I should like now to ask the minister whether he would show the same sense of propriety in telling the House the nature of the conversation that he had with the Minister of Public Works, and specifically did he in any way request that the Minister of Public Works intervene with the judge on his behalf?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, all hon. members know that my case is on appeal. Therefore I have nothing to add at this time to what I already said to the House in that respect.

[*English*]

Mr. Broadbent: There is no such tradition, Mr. Speaker, in the House of Commons of Canada or of Great Britain for that kind of position. If it is not improper to pass judgment on a judge, I consider that this has been a very sound approach taken by the Chief Justice of the Superior Court of the province of Quebec in separating his comments on judicial matters from those on political matters. I should now like to ask the minister to do the same thing and assume his political responsibilities. Is he saying that until the judicial proceedings and difficulties in which he is involved outside this House are concluded, he will not make any statement in the House concerning his political responsibilities, particularly following the resignation of one of his colleagues?

[*Translation*]

Mr. Ouellet: Mr. Speaker, the hon. member approaches the issue not as a lawyer who respects the rights of a defendant before the court, but as a simple political maneuverer.

[*English*]

ACCEPTANCE BY PRIME MINISTER OF DIFFERENCE BETWEEN RESPONSIBILITIES OF MINISTERS TOWARDS JUDICIARY AND TOWARDS PARLIAMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I should like to put my final supplementary question to the Prime Minister. Does the Prime Minister accept the distinction made in the report submitted by the Chief Justice of the Superior Court of Quebec, namely that the responsibilities of ministers vis-à-vis the judiciary are different responsibilities from ministers of the Crown? If so, would the Prime Minister tell the House whether he thinks it is a responsibility of his ministers to answer questions in the House at this stage, following a report on this important matter concerning their political responsibilities?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I do accept the distinction. Three ministers stood up in the House this morning to make a statement and they indicated that they did see that distinction. The question of a conversation between ministers, or indeed between any two ministers or members of this House or for that matter members of the public, relating to advice that one is seeking from the other is, by its very nature, something that people do not reveal unless there is some order to reveal it. A conversation between any gentlemen talking together, one asking another about advice on a difficult matter—

Mr. Broadbent: But was it advice? That is the question.

Mr. Trudeau: —or about a case before the courts, of for that matter any financial problem that one of them is having, I would not expect to be revealed. It is not a question of judicial privilege but of gentlemanly conduct, and I am sure it would apply to members on the other side of the House as well.

I think the issue is as stated earlier by the Leader of the Opposition and by me last week, namely: Was there an attempt to influence the judiciary? We have the judiciary's opinion on that and the answer is negative. There was, in their words, improper conduct and that gives rise to an appearance that is not good and on which I intend to make a statement later today. But what two gentlemen or ladies state to each other, whether under their oath as Privy Councillors or without that oath and simply as members of the House, to me is not a proper matter for inquiry. I do not say that privilege is absolute. I admit it could be dispensed with by order of the court in some criminal proceeding. But I do not think it is relevant to this line of inquiry.

Mr. Broadbent: May I put a further supplementary question to the Prime Minister, Mr. Speaker. While accepting his general point about privacy of conversations, do we not have a very important exception to that general rule now? The Prime Minister presumably having accepted the resignation of the Minister of Public Works, does he not think it very germane to the case whether or not the Minister of Public Works was requested by the Minister of Consumer and Corporate Affairs—I am not talking about seeking advice but requesting him—to intervene in this case?

● (1200)

Mr. Trudeau: Well, Mr. Speaker, that is a matter for the two gentleman to discuss between themselves.

Some hon. Members: Oh, oh!

An hon. Member: No.

Mr. Trudeau: I repeat, Mr. Speaker, in the conversations I had I have no knowledge of wrongdoing of any kind or any attempt to influence indirectly. I do know of conversations between two members of my cabinet. Unless I have cause to believe there was something illegal or improper about those conversations I think that ends the matter.

POSSIBILITY PRIME MINISTER WOULD REQUEST CONSUMER MINISTER TO RESIGN IN VIEW OF ALLEGED REQUEST TO APPROACH JUDGE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Prime Minister who obviously must assume, in respect of the conduct of his cabinet, the same role and responsibility the associate Chief Justice of Quebec had to accept with regard to the conduct of the judges in his jurisdiction. I would therefore ask the Prime Minister, bearing in mind that the Chief Justice of Quebec has ruled that the conduct of the three ministers was in fact improper, and bearing in mind the fact that the Minister of Public Works only approached the Associate Chief Justice of the Superior Court of Quebec after a conversation with his colleague the Minister of Consumer and Corporate Affairs, whether it is the intention of the Prime Minister to ask the Minister of Consumer and Corporate Affairs to submit his resignation in light of his improper conduct.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must disagree with the premise stated by the hon. gentleman. It is certainly very misleading. The Chief Justice did not use the word "improper" as regards the Minister of National Health and Welfare or the President of the Treasury Board. In one case, the case of a now minister, he said it was unusual, "insolite," and in the case of the President of the Treasury Board he said he considered the matter closed.

INQUIRY WHETHER CONSUMER MINISTER REQUESTED A MEMBER OF CABINET TO APPROACH JUDGE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs whose petulant and irresponsible outburst touched off this whole unhappy affair in the first instance. I should like to ask the minister, bearing in mind that Your Honour will have the responsibility to rule whether or not this is *sub judicie,* whether during the course of the conversation the minister had with the Minister of Public Works he had requested the Minister of

Public Works or any other of his cabinet colleagues to intervene with the Superior Court of Quebec on his behalf.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I want to recall to the hon. member that the statements I made before Christmas were from a Minister of Consumer and Corporate Affairs defending the Canadian consumers, and he was deeply disappointed by the judgment rendered in the sugar case. As to the remainder of the question, I have no other comments.

[*English*]

Mr. McGrath: Mr. Speaker, may I ask the Minister of Consumer and Corporate Affairs if during the course of his conversation with the Prime Minister he had in fact informed the Prime Minister that he had requested the Minister of Public Works to intervene on his behalf.

Mr. Speaker: Order, please. The hon. member for Fundy-Royal.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—POSSIBILITY CROWN AND DEFENCE NOTIFIED OF VISIT TO JUDGE BY MR. LALONDE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I should like to ask a question of the Minister of National Health and Welfare. Were the Crown, and most especially the defence, notified of the extraordinary visit to Mr. Justice Mackay.

Hon. Marc Lalonde (Minister of National Health and Welfare): Not to my knowledge, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member for Moncton.

PRIME MINISTER'S VIEW ON PROTECTION OF JUDICIARY FROM INTERVENTION BY MINISTERS

Mr. Leonard C. Jones (Moncton): Mr. Speaker, my question is directed to the Prime Minister. The report of the Chief Justice on page two reads in part:

> More particularly, it—

Meaning the judiciary.

> —must remain protected from interventions from members of the cabinet, whatever may be the quality of the intentions that inspire them.

Mr. Speaker, I should like to ask whether this statement conforms with the present view of the Prime Minister or his previous view, and will it be considered in his preparation of a so-called code of ethics for cabinet members?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that is the matter to which I will address myself this afternoon.

SUGGESTED REFERENCE OF BILL C-2 TO SUPREME COURT

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a question for the Minister of Justice. Inasmuch as the minister has asked the Supreme Court to give an opinion on the constitutionality of the anti-inflation legislation, is the minister now considering, or will he consider, referring Bill C-2 dealing with amendments to the Combines Investigation Act to the Supreme Court of Canada as a very detailed study which was done on the constitutional aspects of Bill C-2 for the C. D. Howe Research Institute by a very senior legal counsel, who is now an Ontario Supreme Court judge, raised serious doubts about this legislation.

Hon. Ron Basford (Minister of Justice): No, Mr. Speaker; it is not the intention to refer Bill C-2 to the Supreme Court of Canada.

Mr. Kempling: Mr. Speaker, inasmuch as the Standing Committee on Finance, Trade and Economic Affairs was overruled in respect of the hearing of witnesses on the constitutional aspects of Bill C-2, and inasmuch as the Minister of Consumer and Corporate Affairs refused to table the legal opinion of the Department of Justice on this aspect of Bill C-2, and inasmuch as our amendment for reference to the Supreme Court was turned aside, will the minister examine the matter in depth before we find this legislation tied up in lower court litigation.

Mr. Basford: Obviously and naturally, those questions were examined very carefully indeed in preparation of the legislation.

KNOWLEDGE OF CONSUMER MINISTER OF POSSIBILITY MR. DRURY WOULD APPROACH JUDGE

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Minister of Consumer and Corporate Affairs. Accepting for the moment his proposition that he cannot tell the House about the communications he had, I wish to ask him a question. Did he have evidence that the former minister of public works was going to communicate with the judge who was dealing with the contempt proceedings and if he did know this did he, as a lawyer and one concerned with this matter, suggest that he should not approach the judge?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, this is a repetition of questions which have already been put to me indirectly and I do not see why I should answer them now.

Some hon. Members: That's not true!

[*English*]

Mr. Brewin: Perhaps I did not put the question as clearly as I should have to the minister. I will put it again.

Mr. Speaker: Order, please. The question has now been put and the suggestion has been put forward that it is a repetition. I have listened carefully. I do not think it is repetition.

Some hon. Members: Hear, hear!

Mr. Speaker: But I certainly do not want to invite the hon. member to now repeat it because if he is about to do what he said it will be a repetition.

Mr. Brewin: Mr. Speaker, I will not repeat it. I will just ask the minister to answer a question which Mr. Speaker said is relevant.

Mr. Speaker: The hon. member for Toronto Davenport.

* * *

THE MINISTRY

REQUEST THAT RESIGNATION OF MINISTER OF PUBLIC WORKS BE NOT ACCEPTED

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Prime Minister. Would the Prime Minister give consideration, as the majority of the members of this House hope he would, to not accepting the resignation offered by the Minister of Public Works.

Some hon. Members: Hear, hear!

Mr. Clark: We will accept an exchange.

Right Hon. P. E. Trudeau (Prime Minister): That is a matter to which I am giving consideration, Mr. Speaker.

* * *

ADMINISTRATION OF JUSTICE

RECOMMENDATIONS OF MINISTER FOLLOWING RECEIPT OF CHIEF JUSTICE DESCHÊNES' REPORT

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is directed to the Minister of Justice. On March 9, as recorded at page 11613 of *Hansard,* the minister indicated that once he received the report of Chief Justice Deschenes he would then be making recommendations on the basis of that report. I wonder if the minister could tell us what his recommendations are now that he has received the report?

Hon. Ron Basford (Minister of Justice): Well, Mr. Speaker, I think, as the Chief Justice points out, my duty is to see that the administration of public affairs is in accordance with the law. Accordingly, I have had the letter of the Chief Justice reviewed by the law officers of the Crown to determine whether it discloses any conduct constituting a wilful intent to obstruct, pervert or defeat the course of justice within the meaning of the Criminal Code or is conduct interfering with the course of justice amounting in law to contempt. I am advised there is nothing disclosed in the letter of the Chief Justice which dictates further action by me in accordance with my duties under the law and I have so advised the Prime Minister. However, I also have responsibilities with regard to the independence of the judiciary. In this respect, the Chief Justice does say:

> It is of the utmost importance that this independence of the judiciary, achieved through great effort during the course of the last three centuries, be jealously guarded against all attacks.

● (1210)

> More particularly, it must remain protected from interventions by members of the cabinet, whatever may be the quality of the intentions that inspire them.

He also added, and I add that—

> —in the light of recent events, that it must also be protected from interventions from parliament.

That is a statement which I, as Minister of Justice, in terms of protecting the judiciary fully support and concur with. In line with that, I have been conferring with the Prime Minister with regard to the statement he will be making in due course.

KNOWLEDGE OF MINISTER OF JUSTICE OF ATTEMPTS TO INFLUENCE JUDGES

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Minister of Justice. Because this whole matter would never have even seen the light of day if we had not had a disgruntled lawyer in Montreal asking for his fees to be paid—

Some hon. Members: Oh, oh!

Mr. Lawrence: —I wonder if the Minister of Justice, either himself or through his ministry, knows of any other attempt by ministers of the Crown, or anyone else for that matter, to speak to members of the judiciary when they have been seized of a case with the very obvious attempt to at least influence the judge if not the judgment.

Hon. Ron Basford (Minister of Justice): The answer to that is no. I made it clear in the House the other day that in the course of my duties I have had occasion, since I have been minister, to confer with chief justices on a regular basis about a whole range of proper matters, and at no time since I have been Minister of Justice has any of them indicated to me their awareness of any improper approaches to them by ministers. Last week the deputy attorney general of Canada was out of the country, and I checked with him via long distance to ask him whether during his conversations with judges in the course of duty any such complaint had been made to him, and the answer was no.

Mr. Lawrence: Could the Minister of Justice then please ascertain and report back to the House whether any complaint of a similar nature has ever been made to the Canadian Judicial Council.

Mr. Basford: Mr. Speaker, as the chief justice properly stated in his letter, that would not be a matter before the Canadian Judicial Council. The Canadian Judicial Council is in that regard not seized with the conduct of ministers, it is seized with the conduct of judges. Therefore, I am not sure that it is even appropriate for me to ask the Canadian Judicial Council the question put to me by the hon. member.

Oral Questions

POSSIBLE REVISION OF CODE OF ETHICS FOR MINISTERS DEALING WITH JUDICIARY

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Prime Minister. In light of the fact that the letter from the chief justice indicates that the three judges concerned—and this is either said expressly or by very strong implication—who were approached were concerned or disturbed by the nature of the communication made to them and the character of the person who made it to them, has the Prime Minister now revised the standards of conduct of ministers in dealing with the judiciary?

Mr. Speaker: Order, please. The Prime Minister has already indicated—we might now usefully for the benefit of members formalize this—his intention to return to the House at the suggested hour of 4 p.m. for the purpose of making a statement. If that is a definite undertaking, it would affect the question put by the hon. member for Peace River. Perhaps we might clarify that to see whether the order is now being sought. If so, will the House give its consent that later this day, specifically at 4 p.m. to revert to statements by ministers for the purpose of receiving a statement by the right hon. Prime Minister (Mr. Trudeau) on the subject standards formerly outlined?

Some hon. Members: Agreed.

Mr. Speaker: It is agreed and so ordered.

Mr. Clark: I would simply like to say that while we are very much in agreement with that procedure, I should like to repeat my request, on behalf of all parties I think, that we receive a copy of the Prime Minister's statement well in advance of its delivery in the House.

Mr. Trudeau: As soon as it is ready I will send a copy to all hon. members, but I cannot promise it will be ready much before 4 o'clock. I realize the inconvenience of the weekend and that is why I am making it as late as possible before the weekend, but I will certainly do my best. If hon. members do not want to hear it, they can wait until Monday or they can read it in the press meanwhile.

Some hon. Members: Oh, oh!

Mr. Trudeau: I will do my best. If the opposition wants to take more time, I think we on this side would certainly agree to them making their response to my statement on Monday. We would have no objection to that. I do not want to catch them by surprise and I realize that the approaching weekend is causing difficulty.

Mr. Stanfield: Don't be so unfair.

Mr. Broadbent: As I said earlier, I would agree with the procedure, but I should like to get one point understood by the Prime Minister. I understand him to wish to make a general statement at 4 o'clock not, for example, to announce at that time the formation of a public inquiry, because if he does that it would mean that he alone would presumably determine, without some consultation with others in the House, what the terms of reference should be. So, I should like to have the undertaking of the Prime Minister that he would just be announcing the general intention at that time.

[Mr. Basford.]

Mr. Speaker: I think that either we give consent to the order that the House will revert to statements at that time or we do not. If we begin to attach conditions to it, there could be as many conditions as there are members. Indeed, under our Standing Order—the provisional orders under which we have been operating since Easter—there is a certain discretion as to what follows statements. After the Prime Minister has made his statement it is left to the discretion of the Chair to limit the time for further questions. Those decisions can only be made after the content of the statements is known. The order has now been made that the House will revert to statements at 4 p.m.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—BASIS ON WHICH PRIME MINISTER DECIDED MINISTERS' EXPLANATIONS SATISFACTORY

Miss Flora MacDonald (Kingston and the Islands): My supplementay question is for the Prime Minister and it refers to his statement on page 11660 of *Hansard* in which he said:

> Mr. Speaker, I indicated to the House that I had raised this matter with the ministers and that they had given me an answer which I found satisfactory.

I wonder if the Prime Minister would now be prepared to tell the House, given the report of Mr. Justice Deschenes which includes such words as "gravely disturbed" and "improper", on what basis he considered these answers from the ministers satisfactory?

Right Hon. P. E. Trudeau (Prime Minister): On the same basis as the judges themselves, who made it quite clear that there was no attempt to influence the course of justice. The question of propriety is another one, and that is the one that I intend to speak about this afternoon.

Miss MacDonald: Would the Prime Minister be prepared to expand on that explanation this afternoon at 4 o'clock and undertake to tell the House what he found satisfactory about the discussions he had with his cabinet ministers?

Mr. Trudeau: I will expand on it right now and I will repeat what I just said, that in my judgment, which is now confirmed by the three judges who were spoken to, and in their judgment there was no attempt to do anything which would be either illegal or considered to be contempt of court or which would in any way attempt to influence their judgment.

● (1220)

Miss MacDonald: That isn't satisfactory.

Mr. Trudeau: That is satisfactory to the issue that I raised with them. The question of appearance is another one.

Mr. Clark: The question of propriety is another.

Mr. Trudeau: The question of propriety is another, which is very much the same as the question of appearances.

Some hon. Members: Oh, oh!

Mr. Trudeau: This is my thinking, and members of the opposition will have a chance to disagree if they wish this afternoon.

KNOWLEDGE OF CONSUMER MINISTER OF POSSIBILITY MR. DRURY WOULD APPROACH JUDGE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Minister of Consumer and Corporate Affairs. If my question sounds a bit like the question asked by my colleague, the hon. member for Greenwood, I hope Your Honour will extend me a bit of latitude. I should just like to be sure the minister understands the question we are trying to put to him.

In view of the fact that the Minister of Public Works has now resigned because of something he did for the Minister of Consumer and Corporate Affairs, can the minister tell us whether he knew what his colleague was going to do and whether he made any effort to persuade him not to do it?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, in answer to the hon. member who is asking me if I have anything to say, I have already indicated to the House that I would not make any comments since my case is before the Court of Appeal.

[*English*]

REQUEST PRIME MINISTER STATE CRITERIA FOR PROPER INTERVENTIONS BY MINISTERS WITH JUDICIARY

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is addressed to the Prime Minister, and it follows on some comments made by the Prime Minister on March 4 as recorded in *Hansard* when he stated that it is possible that Justice Mackay found it to be an improper intervention. If so, it was surprising to the Prime Minister, to say the least. The implication was that there might be some intervention the Prime Minister assumes proper. That implication was also in yesterday's question period, and I should like to ask the Prime Minister if he will take the opportunity at four o'clock to state whether he does consider some interventions proper, and if so, for those which he may consider proper, what would be the criteria of a proper intervention to a court?

Mr. Speaker: Order, please. I do not like to interfere with the right to ask questions, but that is precisely what the Prime Minister indicated would be the nature of a statement this afternoon. I just do not want to duplicate questions unnecessarily.

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TRANSPORT

REQUEST FOR REPORT ON LOSS OF PATROL VESSEL "CAPE FREELS"

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is to the Minister of Transport. I wonder if the minister has heard a report on the loss of the *Cape Freels* fishing patrol vessel, and if he has, would he advise the House whether the life boat has been located?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have had a report on the fire on board the *Cape Freels*, its sighting, apparently with no one on board, and the absence from it of a life craft large enough to hold the persons who were on board. There has been no report yet of a sighting of that craft. There are some vessels en route, including three coastguard and a number of foreign vessels, one of which is a German vessel which may be the first to reach the vessel which is on fire.

Mr. Marshall: Mr. Speaker, my supplementary question is to the Minister of National Defence. I wonder if the minister has that report, and has he taken any action to direct action by the air-sea rescue unit?

Hon. James Richardson (Minister of National Defence): Yes, Mr. Speaker, the rescue centre was alerted at one o'clock this morning, and a tracker was dispatched immediately. It was the tracker aircraft which discovered the *Cape Freels*. The position of the lifeboat is not known, and our search at the present time is to try to find the lifeboat. There are at least eight ships in the area. We are putting other aircraft into the search, and I think the rescue centre is doing everything possible.

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HOUSING

GOVERNMENT ACTION IN VIEW OF INCREASED COSTS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I wish to direct a question to the Minister of State for Urban Affairs. According to the latest CPI figures housing costs are up 0.8 per cent for the past month of February. There has been an 11.5 per cent increase in the past 12 months, and a 13.8 per cent increase in the cost of home ownership. My question is, what does the minister contemplate doing about these continued increases in order that housing starts will not be decreased because of the tremendously high cost?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, we have already taken action along these lines, and indeed, the recent amendments to the National Housing Act which were passed by this House should go a long way toward increasing production and creating more efficiency in the building and lending institutions as well as the supply industries. Still, of course, building, like anything else, is subject to inflation, but the initiatives already taken by this government should go a long way toward increasing efficiency and keeping down costs.

Mr. Darling: They are still going up.

Oral Questions

NATIONAL DEFENCE

CONTRACT WITH LOCKHEED—ALLEGATION COMPANY MISLED DEPARTMENT ON FINANCING—PROVISION OF INTERIM FINANCING

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence. The Minister has stated that Lockheed Aircraft Corporation misled his negotiators concerning all the major initial financing of the LRPA. Could the minister inform the House when it became apparent to him that Lockheed had misled his negotiators?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the word misled was used by the press. It was not used directly by me. There was a misunderstanding. There have been difficulties in achieving the bridge financing, that is, the financing during the production phase. More recently there have also been difficulties concerning the Lockheed company's financial viability. What we have been seeking is an assurance that the company can in fact manufacture and deliver these aircraft. I may say that in recent conversations with officials of the United States government—and from other sources—we have been receiving the assurances that we believe are necessary in that respect.

I have also been preparing a presentation to cabinet to solve the other difficulty with regard to the financing. In other words, we are moving ahead to complete that contract because we believe it is absolutely essential that we acquire those aircraft for the Canadian armed forces.

Mr. McKinnon: The minister referred to it as a misunderstanding, but the managing director of Lockheed says that the payment schedule in its proposed contract with the Canadian government has not changed significantly since last August. Could the minister inform the House who is now going to provide the interim financing in this deal, if it is consummated, and to whom is his department going to pay the $111 million in interest on interim financing, which the minister referred to at page 11402 of *Hansard*?

Mr. Richardson: It is obvious that the interest payments would be made to whoever we borrow the money from, but I have options going forward to cabinet, as I said a moment ago, which will provide an answer to this problem of interim financing. When cabinet has reached a decision, I hope to be able to announce a successful conclusion to these difficulties.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

DATE WHEN DOLBEAU AND ROBERVAL OFFICES WILL BE COMPLETED

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I would like to direct my question to the Minister of Manpower and Immigration. Will he advise the House whether he has received a lot of correspondence from the authorities and associations of Roberval constituency concerning unemployment insurance offices? Second, when will the minister be able to complete the organization of the Dolbeau and Roberval unemployment insurance offices according to plans in order to make them more functional?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I do not recall having received the communications to which the hon. member refers, unless they have appeared in my office within the last 10 days, during which time I have been away, but I will look into the matter and try to obtain the information he seeks.

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ANTI-INFLATION BOARD

REGULATIONS FOR CONTROLLING PROFESSIONAL FEES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Finance. I should like to ask him whether he is aware of the statement made in the last day or two by a senior official of the prices division of the Anti-Inflation Board to the effect that professionals like doctors and lawyers, of whom there are some 75,000, will simply have to certify through a declaration to the board that their fee schedules and billing practices are unchanged and will not be required to produce detailed documentation. Has this been approved by the government?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, in general terms the purpose would not be to require, but really to give professionals the option of figuring it two ways. The board, of course, would be scrutinizing, through a spot check of individual cases, to make sure that professional income is indeed within the limits set by the person's certificate.

● (1230)

Mr. Orlikow: A supplementary question. Is the minister suggesting that this spot check, which is obviously nothing more than self-regulation by professionals, is in any way comparable and fair in comparison with the very specific and tough limits put on wage and salary earners by the board which would be further aggravated by the long delay in making decisions in many cases by the board?

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. gentleman says it is self-regulating but it is no more self-regulating than making out the income tax is.

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AGRICULTURE

REQUEST FOR NAME OF REPLACEMENT OF SCIENTIST DOING RESEARCH ON WHITE BEANS

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I have a question for the Minister of Agriculture. As Dr. Jerry Haas who was doing a considerable amount of research work on white beans at the research station at Harrow has now left for Israel, can the minister advise whether he has engaged a pathologist to carry on this

research work as producers have requested and if so, could he give us the name of the replacement?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am not aware that a replacement has been appointed, but I shall check and let the hon. member know.

Mr. Speaker: Order, please. Bearing in mind the number of members who waited through the rather extended proceedings today, and now seek the floor to ask questions on subjects not related to the subject matter of the statements made by ministers today, I thought it would be fair to now give some definition to the procedure to conclude the question period by recognizing the following members: the hon. member for Dauphin, (Mr. Ritchie) the hon. member for York-Sunbury, (Mr. Howie), the hon. member for Okanagan-Kootenay, (Mr. Johnston) the hon. member for Moose Jaw (Mr. Neil), the hon. member for Hochelaga (Mr. Lavoie) and the hon. member for Sault Ste. Marie (Mr. Symes).

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FINANCE

POSSIBILITY OF INCREASE IN TAXES—GOVERNMENT POSITION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Finance. In view of the determination of the Bank of Canada to squeeze the money supply still further by raising the bank rate and with the continued escalation of government spending, is the minister contemplating further increases in taxes, especially personal income tax, in his next budget in order to raise money for the government?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I am contemplating presenting a budget.

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REGIONAL ECONOMIC EXPANSION

PROPOSED STUDY OF INDUSTRIAL POTENTIAL ASSOCIATED WITH FUNDY TIDAL POWER PROJECT

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. When the Minister of Energy, Mines and Resources indicates that work in respect of the Fundy Tidal Power project study has commenced, will the Minister of Regional Economic Expansion take steps to see that the industrial development potential associated with this great project is studied and developed at the same time?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I think this work is really started now. It is obvious that the Department of Regional Economic Expansion will follow carefully the analysis and studies required and more than probably actively take part in them to help bring in greater benefits to the economy of the province of New Brunswick as well as that of the whole Atlantic area.

[*English*]

URBAN AFFAIRS

EFFLUENT DISPOSAL SYSTEMS—SUGGESTED APPOINTMENT OF CO-ORDINATOR TO ASSIST MUNICIPALITIES IN PLANNING

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. As at the present any municipality planning an effluent disposal system must be involved not only with the Department of Urban Affairs but also with the Department of the Environment, the Department of Agriculture and possibly with the Department of Regional Economic Expansion and very likely with the Department of Science and Technology as well as the Department of Natioal Health and Welfare, may I ask if the minister has given any consideration to designating one person in his department as an interdepartmental co-ordinator whose task would be one of assisting municipalities planning spray projects?

Hon. Barney Danson (Minister of State for Urban Affairs): No, Mr. Speaker, I have not given any special consideration to that but I shall.

Mr. Johnston: A supplementary question. Would the minister endeavour in every way to hasten the reprinting of the brochure on the present sewage aid and assistance program which seems to be out of print and still in demand?

Mr. Danson: Yes, I shall, Mr. Speaker.

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ADMINISTRATION OF JUSTICE

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REQUEST FOR CONSULTATION ON TERMS OF REFERENCE FOR PUBLIC INQUIRY

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I have a short question for the Prime Minister. If the Prime Minister sets up a public inquiry will he undertake that it will be done only after consultation with the leaders of the other parties as to the terms of reference?

Mr. Speaker: Order, please. I have concluded questions related to this subject.

* * *

[*Translation*]

HOUSING

REQUEST FOR INCREASED SUBSIDIES FOR RENOVATION OF OLD BUILDINGS

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, I should like to put a question to the Minister of State responsible for Urban Affairs.

Since inflation is a major problem in this country and in particular in Hochelaga-Maisonneuve, and knowing that renovation entails totally destroying the interior of buildings before estimating what costs will be involved in the structure, can the minister tell the House whether he

expects to increase subsidies agreed to in the National Housing Act, to make sure that rents will really be low and allow greater access to suitable housing for low income people?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I am encouraged by the response we have had to the housing starts this year and new programs which were introduced in the recent amendments to the National Housing Act. That is indicated by the extraordinary success we are having in housing starts so far. Because this housing funding will come mainly from the private sector which we are encouraging, we should have sufficient funds to look after the rehabilitation needs of constituencies such as that of the hon. member. Indeed, we have an arrangement with the province of Quebec and the city of Montreal for major rehabilitation programs. I hope this will help alleviate the situation in his constituency but I am not sure of the boundaries of the improvement program in so far as it involves specific constituencies.

* * *

COMMUNICATIONS

COST OF EXPERIMENTAL SATELLITE—LOSS RESULTING FROM WITHDRAWAL FROM SERVICE

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Minister of Communications. In light of the fact that the Department of Communications has publicly stated as late as December, 1975 that the cost of the new experimental satellite known as CTS is $60 million and bearing in mind this estimate has escalated from the 1972 evaluation of $20 million, would the minister please inform the House whether that January, 1976 cost analysis by the Department of Communications placed the actual cost of the satellite at $100 million?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, as far as I know the cost of that satellite is $60 million. The next thing I know is that we got a lot for our money out of that satellite. This is one of the most advanced technologies in that type of satellite in the world. It is now performing to the satisfaction of all those who have participated in the experiment. As to the cost escalation, I cannot answer the hon. member's question on that specific point. If the cost has escalated as he says—and I am not sure that he is right—from $20 million to $60 million then I can find out what happened in between. At this point, however, I cannot answer that specific question. The hon. member should bear in mind that the launching of this satellite is the result of a science policy which was enunciated by this government in the area of space and it has been extremely successful. The hon. member should be the last one to complain.

Mr. Symes: A supplementary question, Mr. Speaker. Will the minister inform the House whether the communications technology satellite has been withdrawn from service as of this month until September 1976 due to technical difficulties and that in fact, given the two year use-life of this satellite with the cost, from my source of $100 million, this suspension will mean a loss of $25 million to the Canadian government?

Mrs. Sauvé: Mr. Speaker, we have had some battery troubles with the satellite in that period of time when it was not facing the sun. To find out the cause of the difficulty the satellite has been set aside in a sort of parking space we have up there. Our technicians and those of NASA are looking at ways and means of remedying this. The satellite is capable of functioning, however, and there is no suggestion that the two year lifespan of that satellite is in question at the present time.

Mr. Speaker: The hon. member for Winnipeg North Centre on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order which has nothing to do with the matters that have been under discussion this morning. Yesterday at about six o'clock when Mr. Deputy Speaker was in the chair he announced, and I noticed it particularly, that another objection under the Electoral Boundaries Readjustment Act had been filed, and he gave the names of about ten or twelve hon. members who signed it. He asked if the House would agree to the usual practice of entering it as an appendix to yesterday's *Votes and Proceedings*. On checking *Hansard* today I find that the total reference is missing and that there is nothing in *Votes and Proceedings* about this matter. I do not recall any questions later in the day about any changes needing to be made in *Hansard*. Would Your Honour look into this matter?

● (1240)

Mr. Speaker: Order, please. The Chair is familiar with the circumstances. The refiling of a previous objection in its original form was my error. Since the previous objection was correctly filed and correctly appended to *Votes and Proceedings* on the day of original filing and since the second filing was in error, the hon. member who was responsible for the filing of both objections, or for putting forward both notices, was informed that in the circumstances, if he was agreeable, since the matter had already been filed and since the rights of all hon. members to participate in the discussion on the objection were protected, and the proper notation having been made on March 8 in *Votes and Proceedings*, it ought not to be repeated.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS ACT AND CANADA ELECTIONS ACT

AMENDMENT TO ENSURE DEMOCRATIC RIGHT OF ELECTORS

Mr. Paul Dick (Lanark-Renfrew-Carleton) moved for leave to introduce Bill C-427, to amend the House of Commons Act and the Canada Elections Act (by-elections).

An hon. Member: Explain.

[Mr. Lavoie.]

Mr. Dick: Mr. Speaker, I introduce this bill because of the procrastination of the Prime Minister (Mr. Trudeau) in calling by-elections. The purpose of these amendments is to ensure that the basic democratic right of representation of electors in a constituency in the House of Commons by duly elected representatives is maintained as fully as possible and that a minimum of time is allowed to elapse without proper democratic representation should a vacancy occur.

By these amendments, a maximum of 120 days shall pass between the time of receipt by the Chief Electoral Officer of the warrant for the issue of a new writ for the election of a member of the House of Commons to fill a vacancy therein and the polling date of the by-election to fill such a vacancy.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

FINANCE

MEASURE TO AVOID DOUBLE INCOME TAXATION BETWEEN CANADA AND CERTAIN OTHER COUNTRIES

Hon. Mitchell Sharp (for the Minister of Finance) moved for leave to introduce Bill S-32 (from the Senate) to implement conventions for the avoidance of double-taxation with respect to income tax between Canada and France, Canada and Belgium and Canada and Israel.

Motion agreed to, bill read the first time and ordered to be printed.

Mr. Mike Landers (Saint John-Lancaster): Mr. Speaker, I rise on a question of privilege. On March 9, 1976, as reported on page 11632 of *Hansard*, a personal attack was launched on me by the hon. member for Dartmouth-Halifax East (Mr. Forrestall). My initial reaction was one of anger. The first day I arrived in the House, the right hon. member for Prince Albert (Mr. Diefenbaker)—

Mr. Speaker: Order, please. The hon. member refers to an occurrence reported in *Hansard* on a date some time removed from today. The hon. member was good enough to send the Chair notice of his intention to raise this question of privilege. I am not certain his notice is in time. In any event, the hon. member should explain, since the matter relates to a previous occurrence in the House and comes under the established practices of the House, why the matter was not raised at the first opportunity available to the hon. member. Perhaps the hon. member can explain.

Mr. Landers: Mr. Speaker, I was not present in the House on the day the attack was made on me. It was a Tuesday. On Wednesday I was in my riding with the Minister of Veterans Affairs (Mr. MacDonald). I arrived back on Thursday, my brother was with me and I did not have the opportunity to raise a question of privilege; also, I needed time to cool down.

Mr. Speaker: In the circumstances, I may want to hear from the hon. member on the question of privilege.

Order Paper Questions

Mr. Landers: Thank you, Mr. Speaker. On my first day in this House, the right hon. member for Prince Albert extended to me the courtesy of congratulating me upon my election to this esteemed House. Since then I have had the opportunity to congratulate the new leader of Her Majesty's Loyal Opposition (Mr. Clark) upon his recent election.

I thought that when a member on either side of the House accomplishes some personal achievement, other hon. members, according to tradition, wish him well. That should be the tradition. Instead, I discovered that not all hon. members follow this time honoured tradition. Having been angered by the hon. member's actions, I inquired of people who know him why he would act in so reprehensible a manner. Having discovered the reason for his bizarre behavior, I wish to put on record the fact that I forgive him.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 3,500, 3,834, 3,852, 4,034, 4,057, 4,070, 4,110 and 4,445.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

CROWN LIABILITY ACT

Question No. 3,500—**Mr. Fortin:**

1. Does the government intend to make a full revision of the Crown Liability Act and, if so, on what date?

2. For the past year (a) how many legal actions have been taken against the government (b) what is the total amount of the claims?

Hon. Ron Basford (Minister of Justice): 1. The Attorney General of Canada indicated at the federal-provincial conference of the attorneys general which was held in Halifax on the October 23 and 24, 1975, that he was considering amendments to the Crown Liability Act. That consideration is continuing but at this time no decision has been made as to when any amendments could be introduced.

2. According to information which has been obtained from the registry of the federal court, it would appear that: (a) from the January 1, 1974 until the December 31, 1974, 210 legal actions seeking damages pursuant to the provisions of the Crown Liability Act were instituted against the government of Canada. (b) the total amount of damages as disclosed in the statements of claim or declarations was $14,060,205.00.

PEI COMPREHENSIVE DEVELOPMENT PLAN

Question No. 3,834—**Mr. MacDonald (Egmont):**

With reference to the fishing sector of the Prince Edward Island Comprehensive Development Plan, have measures been taken since the Plan's inception to develop an offshore fishing fleet based in PEI which

has the flexibility to operate both in the Gulf of St. Lawrence and off the Atlantic Coast and, if so, what are they?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: No.

PEI COMPREHENSIVE DEVELOPMENT PLAN

Question No. 3,852—**Mr. MacDonald (Egmont):**

1. With reference to the fishing sector of the Prince Edward Island Comprehensive Development Plan, have specific measures been implemented to restrict the entry of new persons who wish to engage in fishing as a livelihood and, if so (a) on what dates (b) at what costs (c) with what effectiveness?

2. Have the measures been evaluated and, if so (a) on what date (b) by whom (c) with what specific implications for Phase 2 sectoral programme?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: 1. No.

2. Not applicable.

RCMP—SASKATCHEWAN

Question No. 4,034—**Mr. Hnatyshyn:**

Is it the intention of the government to give consideration to station RCMP officers in towns of over 600 population, as outlined in the resolution passed at the recent Saskatchewan Urban Municipalities Association Convention?

Mr. Hugh Poulin (Parliamentary Secretary to Solicitor General): No. The attorney general for the province of Saskatchewan is responsible for law enforcement and, under the Provincial Policing Agreement, he is also responsible for the location of Royal Canadian Mounted Police detachments.

APPOINTMENT OF FEDERAL COURT JUDGES 1974-75

Question No. 4,057—**Mr. Matte:**

1. Has the Minister of Justice announced the 1974-75 appointments to the Federal Court of Canada and, if so, how many?

2. In each case (a) what is the name of the judge (b) the province from which he was appointed?

Hon. Ron Basford (Minister of Justice): 1. Yes, seven.

2.

(a) Appointee	(b) Province	
	Bar Membership	Residence at Time of Appointment
Hon. W. F. Ryan	New Brunswick	Ontario
Hon. R. Kerr[i]	Nova Scotia	Ontario
Hon. J.-E. Dubé	New Brunswick	New Brunswick
Hon. G. E. LeDain	Quebec Ontario	Ontario
Hon. D. V. Heald[i]	Saskatchewan	Ontario
Hon. A. L. Thurlow[ii]	Nova Scotia	Ontario
Hon. L. Marceau	Quebec	Quebec

[i] Appointed from Trial to Appeal Division

[ii] Appointed Associate Chief Justice from Appeal Division

[Mr. MacDonald (Egmont).]

ANTI-INFLATION BOARD OFFICE IN NEWFOUNDLAND

Question No. 4,070—**Mr. Marshall:**

Is it the intention of the Anti-Inflation Board to establish an office in the Province of Newfoundland as a result of a request made by the responsible provincial minister and, if not, for what reason?

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): I have been advised by the Anti-Inflation Board as follows: the Anti-Inflation Board has not determined its policy with respect to the opening of additional regional offices. The regional offices now established are located in Vancouver, Winnipeg, Toronto, Montreal, Quebec City and Halifax.

PRIME MINISTER'S TRIP, FEBRUARY 13, 1976

Question No. 4,110—**Mr. Cossitt:**

1. Did the Prime Minister or any member of the Prime Minister's family use any government aircraft on or about February 13, 1976 and, if so (a) what is a complete description of the aircraft (b) what flights did it make including places of origin and destination (c) what are the names and addresses of all persons that were on board?

2. What was the total cost to the taxpayer of the use of such aircraft including flying time, waiting time, salaries of crew etc.?

Right Hon. P. E. Trudeau (Prime Minister): 1. Yes—the Prime Minister. (a) MOT Jetstar CF-DTF. (b) Vancouver to Kamloops. (c) Rt. Hon. P. E. Trudeau, Prime Minister; Mr. R. W. Murdoch, PMO; Mr. T. Axworthy, PMO; Mr. I. MacDonald, PMO; Mr. J. G. Moore, PMO.

2. $970 per hour (includes flight crew salaries travelling expenses, fuel, operations overhead, supervisory overhead, etc.). See reply to question 69 answered February 3, 1976.

HISTORIC MONUMENTS—CONSTITUENCY OF CHAMPLAIN

Question No. 4,445—**Mr. Matte:**

1. Did the Department of Indian and Northern Affairs allocate grants to private and agencies for the (a) acquisition (b) restoration (c) reconstruction of historic monuments in the Constituency of Champlain and, if so, in what amount?

2. What is the (a) site name (b) municipality involved (c) work performed (d) amount allocated (e) year each grant was made?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. No.

2. Not applicable.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—FISHERIES—SUGGESTED PROCLAMATION OF 200-MILE COASTAL ZONE

Mr. Jack Marshall (Humber-St. George's-St. Barbe) moved:

That in the opinion of this House the government must unilaterally proclaim its exclusive jurisdiction over a-200 mile coastal fisheries zone to stop critical depletion of Canada's fisheries resources.

He said: Mr. Speaker, I am pleased to be able to focus attention of the House on the serious problems confronting the fishery on both coasts of Canada. Although the motion speaks of a 200-mile coastal fisheries zone to stop critical depletion of Canada's fisheries resources, we support the extension of jurisdiction to the edge of the continental shelf and my party supports the government's stand on that matter. That position does not preclude our supporting a 200-mile coastal economic zone, or fisheries zone, in order to protect our depleting fisheries stocks. Other countries have realized the need to extend their fisheries limits. Most recently, the United States introduced legislation in the House of Representatives and the Senate to extend its fisheries limits. I feel that this is the right time for Canada to follow suit because our two great nations face common problems. Negotiations are going on between our two countries.

Incidentally, it is not my purpose today to criticize for the sake of criticizing. Hopefully, we shall make the government realize that time is of the essence, that the fishery is in a state of bankruptcy and that we cannot afford to wait longer. I hope that the Secretary of State for External Affairs (Mr. MacEachen) and the Minister of State for Fisheries (Mr. LeBlanc) will put forward Canada's position at the Law of the Sea Conference to ensure that Canada will extend its fisheries zones in order to protect fish stocks which provide the livelihood of many thousands of Canadians.

The Minister of State for Fisheries is not present in the House. Yesterday he explained to me that he could not change his commitments. I accept that. I know his interest in the fisheries of Canada, and we do not hold him responsible for his absence from the House. I wish to first read from a booklet put out by the Department of External Affairs, entitled "The Future of the Oceans". It reads in part:

● (1250)

For the coastal fisherman, dependent on the stocks that in turn depend upon his home waters, overfishing by others can spell the end of his livelihood. This is where fisheries management comes in. The whole point of management is (ideally) to harvest the greatest yield that the complex of fish stocks in an area can replace annually. Only by applying management controls, such as quotas and seasonal limits (for example, during spawning), can the maximum yield be available each year to coastal fishermen and long-range ships alike.

I quote from the conclusions in the booklet:

The priority interests of the coastal state in all marine activities adjacent to its shores must be appropriately recognized and reflected in international law;

Much of the administration of the law of the future must be based on resource and environmental management concepts;

For any agreement to endure, there must be a better balance between the rights of individual states, whether flag or coastal, and the responsibilities which these rights carry with them regarding vital community interests in the uses of the sea.

The problem of extending our limits has been recurring each year. Everyone in Canada, with the exception of the federal government, agrees that we must take action to extend our limits in order to protect our fish stocks. The government is going a different route by having bilateral agreements with many nations. While we hope this will come about, they are taking the back route. The government should have extended the limits and then made bilateral agreements with other nations for economic and other purposes. To give some indication of the decrease in catches of fish stocks, I wish to quote from the Fisheries Prices Support Board 1974-75 annual report:

Preliminary figures indicate total Canadian landings of fish and shellfish, including freshwater fish, amounted to 1.9 billion pounds in 1974, a decrease of 14 per cent as against 1973. The landed value of $293 million represented a decrease of 9 per cent from the 1973 landed value of $320 million.

On the Atlantic coast landings were 1,532 million pounds in 1974, a decline of 14 per cent in weight and 1 per cent in value as compared with 1973. The decrease in landings was attributable to several factors including the over-exploited state of certain species, severe ice conditions late into the spring of 1974 and a six-week strike by the Newfoundland trawler fishermen during the summer of 1974. Groundfish accounted for 55 per cent of the total Atlantic Coast catch by weight and 45 per cent in terms of landed value.

Fish landings on the Pacific coast also dropped in 1974. The total landed catch on the west coast was 298 million pounds, a decline of 23 per cent by weight and 22 per cent by value as compared with 1973. Salmon landings amounted to 134 million pounds, a drop of 28 per cent in weight and 36 per cent in landed value as compared with 1973.

Government agency figures show that with regard to fisheries we are almost in a state of bankruptcy. Our fisheries' management is not at the level where we should brag about the fact that we are the best catchers and managers of fish in the world. It is surprising to note that in 1973 we imported $111 million worth of fish, and in 1974 $120 million. This is our own fish. It is fish we sell to other nations because we do not have proper management and processing facilities. We send it out of the country and buy it back at three or four times the price. That is not good, and must be corrected. However, we must first protect, conserve and control our resources which are vital to the livelihood of those in the eastern and western regions of Canada and, indeed, right across this country. I hope that when the minister replies—if there is time with all that is going on—he will give the House some indication of the direction that Canada intends to follow at the Law of the Sea Conference which begins next week.

May I call it one o'clock, Mr. Speaker?

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: It being one o'clock, I do now leave the chair until two o'clock this day.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Marshall: When I called it one o'clock, Mr. Speaker, I was attempting to discuss the effect of the continued restrictions and the need for placing quotas on many species of fish in Canada. It is a wonder to me that on the one hand—and I must give credit to the Minister of State for Fisheries because he is trying his best to give the infrastructure support to fishermen by way of small craft harbours and vessel subsidies—

Some hon. Members: Hear, hear!

Mr. Marshall: We are providing the subsidies and the infrastructure support, we are providing the vessels and the small craft harbours for the fishermen, but that at the same time, because of the depletion and deterioration of our stocks, we have on the other hand to give subsidies because there are no fish left. One course is certainly working against the other. For example, the minister announced the other day a $44 million temporary assistance program for Canada's troubled fishing industry. He is to be given credit for that. But I have to emphasize the point that on one hand we are giving bigger quotas through ICNAF to foreign nations which are taking away fish which rightfully belong to eastern Canada; then, when there are no fish, we have to pay the fishermen subsidies, and so on.

The other effect of the restrictions on fishermen is the destructive impact it is having on the morale of the fishermen, particularly in the Atlantic region. Every year another species of fish is added to those under quota. Every year—almost every few months—more regulations are established. Recently, one which caused great confusion right across the country was that which dealt with the lobster fishing regulation. Then there is the restriction of the salmon catch and the provision for the licensing of boats. It is getting to the point at which the industry is fast becoming a police state fishery, and this is really having a harmful effect on the morale of the fishermen.

The incidents which arose just before the seal hunt are a perfect example of the fact that for the first time the peaceful fishermen of Newfoundland reacted, and about 200 appeared at a meeting designed to stop the "Greenpeace" organization interfering with their livelihood from the seal hunt. As the need for restrictions, licensing regulations and stricter regulations keeps coming forward, the fishermen are getting exasperated, disappointed, discouraged and will also react to the great deterioration and rape of our inshore and offshore fisheries and our banks fisheries. We go to ICNAF like a big brother and we allow them bigger quotas than we have ourselves. Our own fishermen are left without fish, without a livelihood, and they have to go on welfare.

The most recent problem which arises concerns the restrictions on the catching of red fish or ocean perch. I am sure my hon. friend from South Shore (Mr. Crouse) will elaborate on this aspect because it concerns him in Nova Scotia as much as it does me. But to show the reaction of Newfoundland, when it became necessary to restrict the catch of red fish to the Gulf of St. Lawrence, this is the

[Mr. Speaker.]

content of a telegram sent to the minister, of which I had a copy yesterday:

> Restrictions on red fish fishing in the Gulf of St. Lawrence for the balance of 1976 will have a most damaging effect not only on the fish processors, plant workers and fishermen, but on the province's entire fishing industry.
>
> It is obvious that officials of your department have been aware of the need for a reduction in gulf red fish landings from 1975 levels for some time and it is difficult to understand why this crucial factor was not taken into account in establishing 1976 ICNAF quotas last June at which time some 100,000 metric tons outside the Gulf were allocated to other nations with less than 20 per cent going to Canadian fishermen and requesting that any reduced red fish catch in excess of inshore requirements should be divided among all vessels fishing red fish on a pro rata base according to past fishing practices.

My hon. friend recommends that the federal government take steps to call a special session of ICNAF to raise the quotas established, especially outside the Gulf, to prevent the deterioration of the red fish section of the industry, and that Canada should withdraw from ICNAF because we are being locked into the present arrangement. I was sure, Mr. Speaker, that in the last few months the government was going to take the unilateral action which was so necessary.

● (1410)

It might be of interest to put on record some of the statements made by the Secretary of State for External Affairs, the Minister of State for Fisheries, as well as some of the experts in the Department of Fisheries and those who attend the Law of the Sea Conferences. I was very surprised at the ocean colloquium in Halifax to find our expert on the Law of the Sea, Mr. Beazley, so concerned and disappointed, and to hear him say that we would be continuing with Law of the Sea Conferences since we had come to no final conclusion. This was the first time I had seen him so disappointed and discouraged. The Secretary of State for External Affairs, speaking in Halifax, had this to say:

> —an international solution is by far preferable to unilateral or even regional action. But time is of the essence . . .
>
> Should the Law of the Sea Conference fail or procrastinate, we will reassess all options . . .
>
> Unilateral action is one of the options open to the government of Canada—

That is what the minister said in February, 1975. Then the Minister of State for Fisheries, speaking in Geneva on April 29 of last year, had this to say:

> Fishermen cannot eat negotiating texts.

Then on April 30, 1975, in announcing in Geneva that Canada would press for a 40 per cent cutback in foreign fishing efforts at the June meeting of ICNAF, he said:

> I would find it difficult to ask fishermen to wait beyond the end of another conference . . . It would be a question of determining what would be an unacceptable delay.

Then Mr. Lucas, one of our experts, speaking in Halifax had this to say:

> The bottom line is that we cannot wait forever.

Then, again, the Secretary of State for External Affairs, on May 8 last in Geneva said:

> Unilateral action is a more lively option today than it was after the Caracas session in 1974.

I would be less than candid... if I were to leave you with the implication that we are entirely satisfied with the results of the conference.

Dr. Needler, head of Canada's delegation at the ICNAF meeting in Edinburgh on June 20, 1975 told reporters at the end of the session that in his opinion Canada might declare a 200-mile limit unilaterally within 12 months if no international agreement is reached. Then on July 22, 1975, the Prime Minister (Mr. Trudeau) said in this House:

I just want to remind the House that half of the European nations and others have exercised historic rights over what has been known for many hundreds of years as the high seas and a unilateral declaration of law as we see it would withdraw from these nations rights which they have been exercising, I repeat for hundreds of years.

They have rights, Mr. Speaker, but the Newfoundland fishermen also have traditional rights going back 600 or 700 years, and they are wondering what has happened to those rights. I am asking the minister to take this factor into consideration. Morale is worsening day by day and I cannot guarantee what is going to happen when the fishing season opens and foreign nations start fishing off our shores. I realize the minister has a problem, but we must extend our fishing limits at least for the time being, just as the United States has. Then we can have bilateral discussions on economic matters and on the continental slope.

When we do extend our limits—as I hope we will after the conference—we must also take measures to protect our fishermen. This is a matter I know the minister is concerned about, just as is the Minister of National Defence (Mr. Richardson) and the Minister of State for Fisheries.

The capability of Canada's air and sea rescue and lifeboat service and patrol aircraft is much less than desired. I should like to give the House an example of just what goes on in the Atlantic region. We have eight lifeboat bases in Newfoundland whose duty it is to protect and help save lost fishermen, as the name implies. On May 16, 1975, four new lifeboat bases were established, namely, in Shippegan, New Brunswick, Souris, Prince Edward Island, and Louisbourg and Sambro, Nova Scotia. On the west coast of Newfoundland there is not one single lifeboat base. I should like to refer to a letter that I received from the executive assistant to the then minister of transport:

I am writing on behalf of Mr. Marchand in reply to your letter of May 21, 1975 in which you request that the Ministry reconsider its plan for basing 44 ft search and rescue lifeboats with a view to basing two of these lifeboats on the west coast of Newfoundland.

Unfortunately, Mr. Speaker, two fishermen were lost out of Moreton's harbour. There is a lifeboat base at Twillingate, and I asked the minister what action that base had taken. I do not have the exact answer before me, but if I may paraphrase it, the answer was that unfortunately their 44-foot boat could not even go out because it is only capable of cutting through about two inches of ice. There are eight lifeboat bases, yet their boats can only cut through two inches of ice. I hope the minister will take these matters into consideration and discuss them with his responsible colleagues; and when he does extend the limit, as I know he will, I remind him that the fishermen must be protected and our air and sea rescue capability must be improved.

In view of the fact that time is short, Mr. Speaker, I will leave the rest of the wise advice that we are going to give the minister to my other colleagues.

ROUTINE PROCEEDINGS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

OBJECTION TO COMMISSION REPORT RESPECTING ONTARIO

The Acting Speaker (Mr. McCleave): Order. Before I recognize the Secretary of State for External Affairs (Mr. MacEachen), perhaps I may be allowed to put the following on record. It is my duty to inform the House that an objection signed by the hon. members for Bruce-Grey (Mr. Douglas), Kent-Essex (Mr. Daudlin), York East (Mr. Collenette), York South (Mrs. Appolloni), Lincoln (Mr. Andres), Stormont-Dundas (Mr. Lumley), Ottawa-Vanier (Mr. Gauthier), Welland (Mr. Railton), York West (Mr. Fleming) and Perth-Wilmot (Mr. Jarvis) has been filed with me pursuant to section 20 of the Electoral Boundaries Readjustment Act, Chapter E-2, RSC 1970, to the report of the Electoral Boundaries Commission for the province of Ontario.

If the House is agreeable, I suggest we follow past practice and print the text of the objection as an appendix to this day's *Votes and Proceedings*. Is that agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—FISHERIES—SUGGESTED PROCLAMATION OF 200-MILE COASTAL ZONE

The House resumed consideration of the motion of Mr. Marshall:

That in the opinion of this House the government must unilaterally proclaim its exclusive jurisdiction over a 200-mile coastal fisheries zone to stop critical depletion of Canada's fisheries resources.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I appreciate the opportunity to participate in this discussion on the extension of Canada's fisheries jurisdiction. In a sense, I have no complaint with the motion itself; basically it suggests unilateral action as an option open to Canada in extending our fisheries' jurisdiction. In the motion itself there is no reference to the timing or the preparations that are necessary in order to undertake such unilateral extension. Indeed, there is no recognition or analysis in the motion or in the speech as to what the immediate effect would be for Canada and for Canada's fisheries if today the government accepted the invitation of the hon. member and extended, unilaterally, Canada's fisheries' jurisdiction. But I want to tell the hon. member, as I have said before, that unilateral action is one of the possibilities we have had under consideration and that it may be exercised at a time when it will achieve real advantages for Canada.

● (1420)

The hon. member, in his speech, said we ought to do it right away. I think that was more of an encouragement of the government to continue its efforts than a clear decision on his part that action ought to be taken at this time. The Law of the Sea Conference is opening on Monday. It is a crucial conference for Canada. The hon. member probably will be present, as I will be present, at the conference next week. We will make every effort to make progress on all the issues affecting Canada, but particularly on the fisheries issue because we know, as the hon. member has pointed out, that the fisheries need protection on the east coast and on the west coast. On the east coast, stocks of fish that are vital to the future of Canadian fisheries are seriously depleted. That is the underlying concern behind the energetic efforts that are being undertaken by my colleague, the Minister of State for Fisheries (Mr. LeBlanc), by his officials and by my officials in a variety of ways.

On the west coast, the new emerging regime of extended jurisdiction is also necessary and any future regime must take into account the special problem of the salmon fishery which is of importance to the west coast of Canada. We have not been idle. As the hon. member knows, there has been action over the years—action which the government of Canada has taken sometimes unilaterally and sometimes ahead of other countries. First, in 1964 the government unilaterally extended Canada's fishing limits to 12 miles. That is taken for granted today, but at that time it was a very important step ahead. We found that countries which has opposed us in taking that unilateral step quickly followed in adopting the 12-mile limit. Second, in 1974 we went a step forward and closed the Gulf of St. Lawrence, the Bay of Fundy, Queen Charlotte Sound, Dixon Entrance and Hecate Strait as exclusive Canadian fishing zones. These waters are so extensive that they would exceed the 200-mile area of many countries.

In taking that action, we negotiated a phasing-out of the operations of fishing fleets of other countries and today they are almost at the end of their participation in these waters. Last year, as a third point of our emphasis on the importance of the fisheries, we took very strong action in closing the Atlantic ports to the Soviet fishery fleet, with beneficial results in terms of the acknowledgement by the Soviet Union and other countries of the serious overruns that had been taking place in the catch of fish.

Of course, at ICNAF as well we were able to secure a 40 per cent reduction in foreign fishing efforts in respect of ground fish, as well as a reduction in the total allowable catch of depleted stocks and higher quotas for Canadian fishermen in respect of particular stocks which are important to them. These have been important actions. We do not, however, regard them as a substitute for extended Canadian fisheries which we still have as a primary objective of Canadian policy. In my opinion, Canada will soon have a fisheries zone of 200 miles.

Some hon. Members: Hear, hear!

Mr. MacEachen: The hon. member overlooked mentioning my most recent quote on this subject which was made last weekend: I said it was not a question of "if", but a question of "when". We want to take action at a time when it will be effective and at a time when it will be timely. There is no doubt that we have made progress at the Law of the Sea Conference. Unfortunately, we have not made progress rapidly enough to wrap up an over-all treaty including a definition of the jurisdiction of coastal states over their extended jurisdictions. But the single negotiating text that came forward at the conclusion of the last Law of the Sea Conference included most of the concerns Canada has had in respect of the fisheries, and met most of our fisheries' objectives.

[Mr. MacEachen.]

At this particular conference we propose to build upon that text and to make further progress where possible in order to solidify, in the text and in the understandings, the position of the Canadian government. I have always said it is the preference of the government of Canada to have its extended jurisdiction, the 200-mile economic zone, accepted as part of an over-all, multilateral settlement engaging in and involving all the countries of the world. In addition to the question of the 200-mile economic zone, there are other various interests involved, including the proper role of salmon and also a host of interests affecting Canada. At the present time, at the Law of the Sea Conference all these issues are treated as a package. Up to the present time, few countries have been ready to settle on the fisheries alone until they know how their interests will be treated in all the other aspects of the conference.

So far as Canada is concerned, we would be prepared, if it were possible, to settle on a treaty at an early date that would include provisions that we find acceptable with regard to the fisheries, provided it would not at the same time prejudice other important Canadian interests. We would be prepared to do that. I am doubtful, however, whether it will happen at this particular Law of the Sea Conference.

● (1430)

In addition to the conference which is beginning in New York next week, it is our expectation—and indeed our firm desire—that the conference in New York be succeeded by a further conference in the summer to carry forward the work that has been accomplished in New York. At the end of that conference, although we know progress will be made, we are not quite certain, at this point, of the extent of the progress but we will be working with other delegations to bring off the greatest possible success. Hon. members who have attended these conferences know that the Canadian delegation has continually played an innovative and responsible role at the conference, and it will be working actively at the upcoming conference to ensure that the provisions that emerge are equitable, effective and responsive to current needs and realities. That is one aspect of the situation and it is an important one. We will be watching results there to determine what course of action we might take.

At the same time, we have been negotiating bilateral agreements with distant fishing countries exploiting the waters which at some future time will be under Canadian jurisdiction. Just yesterday we initialled a further agreement with Portugal, an agreement which of course is initialled *ad referendum* but which deals with Portuguese fishing in our 200-mile zone.

An hon. Member: What did you give up for it?

Mr. MacEachen: That is the fourth bilateral agreement that we have succeeded in negotiating, at least *ad referendum* in the case of Portugal. Previously we had achieved similar results with Norway, Poland and Spain, and negotiations are under way with the Soviet Union. I hope they can be completed successfully in the near future. We have had discussions with the Soviet Union, and we hope that we will have a further round of meetings with them in May. If we succeed in getting a bilateral agreement with the Soviet Union, it will be quite dramatic progress because, having concluded and initialled an agreement with other countries and now with the Soviet Union, we will have covered a substantial portion of the fishing catch of foreign countries in an extended 200-mile zone. I will come back to that in a moment.

What do these bilateral agreements contain? They are all based on the elements of the emerging consensus of the Law of the Sea Conference. Under these agreements, when Canada extends its 200-miles it will be Canada that decides the total allowable catch from each stock; it will be Canada that determines the stocks that may be surplus to Canadian requirements; and it will be Canada that decides the allotments for the foreign fleets from these surpluses. These are the provisions in these agreements.

The four countries that I have mentioned—namely, Norway, Poland, Spain and Portugal—include 30 per cent of the fishing catch of foreign fleets in this extended zone. When we conclude the agreement, as I hope we will, with the Soviet Union, 88 per cent of the fishing catch in these waters by foreign fleets will have been covered by bilateral agreement. That is a major achievement and it is very much related to the question of unilateral jurisdiction, or the extension of unilateral jurisdiction, because if and when we extend our jurisdiction we will have in place, with the major countries now fishing in these waters, agreements that will recognize Canadian extended jurisdiction and the ability of Canada to decide the total allowable catch, to decide what Canada would take, what is surplus to Canada's requirements and how that surplus will be allotted among foreign fishing fleets. It seems to me that it is a very good thing to have these agreements in place before Canada takes a unilateral action and is faced with the problem, for example, that Iceland is presently facing in implementing its unilateral extension of the 200-mile limit.

Mr. McGrath: Iceland has no problem. She demonstrated she can take on Her Majesty's fleet.

Mr. MacEachen: I do not want to get into a discussion on Iceland's position and the British position, but it is a fact that the Icelandic government has taken action to extend its jurisdiction to 200-miles. They say, now, that we should control these waters in so far as fisheries are concerned, and the British government has stated that these are international waters and they do not recognize Icelandic jurisdiction and intend to continue fishing there. Now both countries are involved in an effort to negotiate an agreement which will accommodate the interests of both countries in an extended Icelandic jurisdiction.

What we have been doing is to arrive at these agreements before the extension is undertaken, rather than afterwards, in an effort to avoid the futile, sterile and dangerous confrontation that might take place if we proceeded unilaterally without having in place this kind of agreement. I believe that if in May we succeed as I hope we will in negotiating this agreement with the Soviet Union, we will have put in place a groundwork and a foundation that will make an extension of our jurisdiction effective when it does take place. I believe hon. members will recognize that as being an extremely important aspect of Canadian fisheries' policy.

The hon. member has properly referred to the effect on Canada if other countries extend their jurisdiction prior to Canada doing so. Obviously, we are watching the probable timing of extension by other countries. It is expected that the Mexican 200-mile economic zone, including not only fisheries but minerals, marine pollution and marine scientific research, will come into effect in June. A number of developing countries have enabling legislation so that they will be able to extend their 200-mile fishing zones at a relatively early date. Of course, we are all watching what is happening in the United States where it is expected there will emerge soon, from the congressional conference committee, which is now reconciling the House and Senate versions of the bill, a final version which will probably establish an effective date of enforcement of United States jurisdiction early in 1977.

● (1440)

We do not know what the date will be. One bill called for January 1, 1977, another the middle of the year, and the effort is to reconcile them. We do not know what will happen, but probably it will be an effective date of early 1977. We are taking steps to ensure that any U.S. extension will not affect the continuing right of Canadian and U.S. fishermen to enjoy reciprocal fishing privileges in each other's zones, and that our position on unsettled Canada-United States maritime boundary questions will not be prejudiced by any such action. These include such unsettled questions as the Gulf of Maine area, off Juan de Fuca Strait and off Dixon Entrance. So it is obviously realized by hon. members that negotiations with the United States on fisheries are a crucial part of our preparations for the extension of fisheries jurisdiction, and as a neighbouring coastal state there are special concerns to be taken into account. Canadian fishermen fish off the United States coast, and vice versa, and their interests are important. Some fish stocks migrate up and down the coast, and these must be properly managed. We must also try to ensure that there will be no problems of enforcement in the new zone, both as between our two countries and vis-à-vis third countries.

There is also the special problem of salmon fishing by both countries. All these problems are complex and difficult which exist and which must be resolved between Canada and the United States. Consultations have begun and I am sure solutions will be found. A great deal of attention has been focused on the legislation in the United States. It should not be forgotten that in Canada no new enabling legislation is required. We are ready to move on very short notice, because under the Territorial Sea and Fishing Zones Act our extension of fisheries jurisdiction can be accomplished after giving 60 days' notice by order in council. So we do have legislative authority from parliament. It requires executive action and after 60 days' notice

an effective date of enforcement can come into play. So we are prepared legislatively. We have been preparing, through our discussions with the distant fishing states, for the eventual extension of our jurisdiction.

I have already stated that extended Canadian jurisdiction is a certainty. It is not in the distant future. I regret that I cannot give a precise date, but it is a certainty and it is not in the distant future. It will depend upon a number of factors, including the progress made at the Law of the Sea Conference, the further success made in our bilateral negotiations with other countries, and also the steps taken by other countries, especially our friend and neighbour the United States.

I want to assure the hon. member that the government is quite alive to the urgency of the seriously depleted stock situation on the east coast. It is quite alive to the concerns of west coast fishermen. A firm and stated objective of our policy is to achieve extended fisheries jurisdiction at the earliest possible date, and we have placed ourselves in a position to bring it off in a timely and effective way.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the debate today seems to be more a case of agreement than of confrontation. As the Secretary of State for External (Mr. MacEachen) has pointed out, the question is not "if," but "when" Canada is to extend its control over the fishing areas off our coasts. I regret that the experts in this field in our party, the hon. member for New Westminister (Mr. Leggatt), the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) and the hon. member for Cape Breton-East Richmond (Mr. Hogan) are all away this afternoon, leaving it to me to speak briefly on our behalf. I may say that I had also hoped that the leader of our party, who was in Newfoundland a few days ago dealing with these very matters, might be able to take part, but he, too, is tied up.

I want to indicate our support of the motion put forward by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), and I am glad to note that the Secretary of State for External Affairs regards it as a motion of encouragement rather than argument.

I must point out to the hon. member that last June, I believe it was, we had a debate on a similar subject when a motion was put down by the then member for St. John's West. He called for the extension of our control out to the end of the continental shelf and we had to point out that he forgot to mention the 200-mile zone. Today, my good friend, the hon. member for Humber-St. St. Barbe has put on a motion calling for control out to the 200-mile limit and he forgot to mention in his motion the continental shelf. However, in his speech he made it clear that he means both, and we are supporting his intention, not just the words of the motion.

I also welcome the statement which has been made by the Secretary of State for External Affairs in which he quite properly referred to the bilateral agreements which have been achieved and to the fact that if Canada is able to achieve one with the Soviet Union, we will be awfully close to having a 200-mile zone so far as Canada is concerned. One has to say that the minister is doing a good job in that regard, and I want also to join the hon. member for Humber-St. George's-St. Barbe in paying tribute to the good job being done in this field by the Minister of State for Fisheries (Mr. LeBlanc).

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): In fact, I hope it will not hurt him if I suggest he is doing such a good job that he should not be a minister on half pay. He should be a full minister because of the efforts he is making on behalf of the fisheries industry of this country.

I think we are all aware of the fact that the reason something has to be done about the fishing areas off our coasts, both east and west, is because at the present time, when we only have a 12-mile limit, fleets of foreign vessels are engaged in massive fishing operations to such a degree that they are fish mining rather than just fish harvesting. They are treating fish not as a renewable resource but as an ore to be removed and processed, and let that be the end of it. The result of this, of course, is that there has been a tremendous decline in fish harvesting by our Canadian fishermen, a tremendous decline in the landings and, what is even more serious, a decline in the stocks. The situation has reached the point where something has to be done about it very soon. I think the most serious problem is on the east coast, as has been indicated by both previous speakers, but there is also a special problem on the west coast, particularly in respect of the salmon fishery.

● (1450)

We are aware of the fact that the Law of the Sea Conference will resume this coming week in New York city. I had hoped that the minister might be able to express his confidence that out of that conference would come an agreement on a 200-mile zone or a continental shelf. At least he is keeping his options open in that respect. It is still our view, along with the hon. member for Humber-St. George's-St. Barbe, that if agreement on that is not reached, Canada should still assert its intention, even if we have to do it unilaterally, of going for a 200-mile zone or a zone out to the end of the continental shelf.

When the day comes that we do get control over the waters on our coast, we want to emphasize, of course, that in addition to the control of fishing in those waters which would give Canada the right to say how much we would take and how much would be available for other nations, the day must also come when we should have control over pollution in those waters, control over the right of passage, control over scientific research. In other words, there are a number of other matters in relation to the actual fisheries that are of concern to us in the areas off our coasts whether 200 miles or out to the end of the continental shelf.

So, Mr. Speaker, we express our pleasure that this motion has been put down today. We express our pleasure that there is agreement amongst us that the principle proposed in the motion is one that has to be implemented in one way or another. We hope the seriousness of the matter, in terms of not letting time go by, will impress itself upon the Secretary of State for External Affairs and the Minister of State for Fisheries and that action in this area will be taken with the least possible delay.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome the opportunity to participate in this debate on

Canadian fisheries. Much of the constituency that I represent in this House depends in whole or in part on the economic future of this important primary industry. Throughout Atlantic Canada it is estimated that some 20,000 fishermen and 12,000 plant workers depend on the fishing industry for their livelihood. Naturally, when this industry suffers economic hardship or sets sail on the wrong course, members of parliament representing Atlantic Canada are soon made aware of the fact. It is our responsibility to try to assist those who look to us for guidance and leadership.

With each passing day I begin to have a clearer realization of what the Prime Minister (Mr. Trudeau) meant when he said that when members of parliament get 50 feet from Parliament Hill, they are nobodies. It would appear that not only the Prime Minister subscribes to that belief, but it is also held by ministers of the cabinet and other ministers of the Crown as well as the Minister of State for Fisheries (Mr. LeBlanc). Let us consider, for example, the announcements that have been made outside this House by the Minister of Fisheries when he is, in effect, by ministerial decree, altering the lives and livelihood of thousands of Canadians in Atlantic Canada.

On December 30, for example, the minister issued a news release announcing tighter controls on the east coast lobster fishery. This announcement could well have been made prior to the adjournment of the House for the Christmas recess, when the representatives of the people would have had an opportunity to respond to these arbitrary new measures which have caused heartache and hardship to hundreds of lobster fishermen in Atlantic Canada this year. Heaven knows how many will be affected next year.

The minister's opening line of, "New measures coming into effect today to exclude from the lobster fishery those who earn their living elsewhere", was enough to cause consternation among all lobster fishermen, for each and every one of them earn part of their living doing some other work besides lobster fishing. I submit it is desirable to get the doctors, the dentists, the lawyers and the professional people out of the lobster fishery, and almost everyone agrees with this. The minister obviously failed to realize, however, that in our mixed economy it is necessary for many men and women to work at different trades in order to provide for the financial needs of their families. For example, here is a typical letter from a constituent residing in Lockport, Shelbourne county, which I should like to put on the record. It is dated January 1, 1976, and he writes:

> I received a letter saying my lobster fishing licence would not be renewed in 1976, as I don't make my living at fishing, that I have a full-time job. I don't think working at a fish plant can be called a full-time job. I have to work all hours of the day or night in order to make between $5,000 and $6,000 (before deductions) at a fish plant. Therefore, I depend on lobster fishing for part of my income. I don't think any fisherman makes this small income for a year. It seems very odd to me that a Canadian can't make a living for himself yet foreign vessels are allowed to come into Canadian waters and take whatever kind of fish they want and destroy the fishing grounds.

He finishes by saying:

> I would like to know why my lobster licence will not be renewed in 1976. What crime have I done? If it's a crime to try and make a living, then I am guilty.

I am withholding the writer's name, but this is indicative of many letters I have received concerning this matter. Even bona fide fishermen were concerned with the wording of the minister's letter. In addition to lobstering, many of the fishermen, if not all of them, haul and paint their own boats, thereby infringing on the shipyards which depend upon refitting ships for part of their livelihood. Others paint their own homes or maintain market gardens, thereby earning part of their living from moonlighting as farmers or housepainters. Under this government it is apparently acceptable for Canadians to moonlight in some fields, but is not acceptable to moonlight in others. This double standard has not been lost among all lobster fishermen, those who have their licences this year and those whose licence has been denied.

As far as I can determine, most lobstermen were opposed to the procedure being followed: they were not opposed to the end to be obtained. It would have been more humane and just, in my view, to let attrition within the industry take its course. If licensed fishermen stopped fishing for more than one year, other than those who could not fish due to illness, then the licence should not be renewed.

I submit there are other steps that should be taken, Mr. Speaker. Steps should be taken to restock lobster fishing areas. This could be done by the fisheries department offering to pay a premium for seed or berried lobsters landed by our offshore or inshore lobster fishing fleets. These seeded lobsters could be returned to the sea by our fisheries officers, thereby helping to build up depleted stocks. Money spent in this manner would be a positive step toward rebuilding this very important segment of the industry.

Parliament was in session on February 11 when the Minister of State for Fisheries announced outside this House a modified fisheries assistance program. The House was also sitting on March 3 when he announced the closure of the Gulf of St. Lawrence red fish fishery. The continued refusal by the Prime Minister (Mr. Trudeau), ministers of the Crown and the Minister of State for Fisheries to appear before the peoples' representatives to explain what they are doing and to make statements which gravely affect the livelihood of Canadians is, at best, arrogant and, at worst, unmitigated gall. When this course is followed we, in the official opposition, who are elected to parliament, have no opportunity to comment, to amend, to suggest or to improve the minister's dictatorial statement.

● (1500)

I accept that the minister cannot be here today. The minister may say we are debating the statement today; but now it is *fait accompli*. The gulf closure is in effect, as of March 6. Those affected by this decree must suffer the economic hardship emanating from this action. One thing is certain. The Minister of State for Fisheries will go down in the history of Atlantic Canada as one who closed more fisheries industries than any previous minister in our history.

An hon. Member: Baloney.

Mr. Crouse: The hon. member for Gander-Twillingate (Mr. Baker) says baloney. If he wants to speak, let him stand. Why does he comment sitting down? What does the

hon. member think about the fishing industry and processing plants formerly active in Port Beckerton, Canso, Petit de Grat and Lockeport going bankrupt? What would the hon. member call that kind of operation? It all happened within the last six months, and under this particular government. Can the hon. member call that baloney? Does the hon. member not want to protect fishermen? He should be ashamed to claim his seat in this House.

An hon. Member: Holy mackerel!

Mr. Crouse: As one of my seafaring constituents said to me, "When policies are required to help Canadian fishermen, the minister sure has a hole in his seabag." Many of my constituents also ask when we are to see the appointment of a full-time minister of fisheries, as promised by the Prime Minister and other cabinet ministers in Nova Scotia and Atlantic Canada during the 1974 election campaign. I can only answer that obviously the Prime Minister does not give high priority to the fishing industry or to his promises once the election campaign is over.

Anyone who compares Liberal promises made to Atlantic fishermen during the 1974 campaign with the record of the government to date will gain some idea of the deceit and deception practised on our people by the government. I say this to the government: you promised, for example, to expand the area within Canada's jurisdiction for fisheries to the edge of the continental edge and slope, or 200 miles, whichever is greater; you said this will be achieved through action at the international conference on the Law of the Sea at Caracas. The Caracas conference concluded without action being taken. We witnessed the Geneva conference of last March. There was no international agreement. We now know that another conference will open on Monday in New York.

According to a report in the Halifax *Chronicle-Herald* of Wednesday, March 10, the Canadian government does not expect the next Law of the Sea conference, which opens in New York on March 15, to succeed in producing any international agreement. Realistically we do not expect that any over-all law of the sea treaty will be completed at New York. That was the opinion of External Affairs officials. The minister endorsed that statement today in his speech made to the House. So we have promises but no action. While we are jawing other nations are warring on our fisheries resources and depleting them below sustainable yield levels. That is the reason for our motion today. We are simply asking you, the government, to take the action you promised more than two years ago.

The Minister of State for Fisheries said at last year's conference in Geneva that time is running out on this issue, that fishermen cannot eat negotiating texts, and that fish stocks cannot be rebuilt on negotiating texts. He made the headlines, and I supported him in his views. But I point out to the minister that we require action, not words, to bring about a solution to our problems. We need only look at the decline in total fish landings in the Maritimes for 1975 to realize the severe effects of massive over-fishing by foreign fleets on our fish stocks during the last ten years.

Total fish landings were down to 889 million pounds from 905 million pounds in 1974. Obviously, unless the Minister of State for Fisheries and the government move quickly to declare a 200 mile fishing zone on our continental shelf, the fishing industry of Atlantic Canada is doomed to economic collapse. The wreckage of its destruction must be placed squarely on the backs of the present federal government. The government alone has the responsibility, the obligation, and the power to act. By refusing to act the government stands indicted not only by the people of Atlantic Canada but indeed by all Canadians. It is responsible for allowing the collapse of this industry which is the mainstay, literally, of thousands of Canadians in an area with few alternative forms of employment.

You promised to provide means for proper offshore surveillance. You would do this by increasing the number and size of our fisheries patrol vessels. This has not been done. Only yesterday we learned in the Standing Committee on Fisheries and Forestry, from the Minister of State for Fisheries, that in order to carry out fisheries surveillance the department was forced to employ oceanographic and fisheries research vessels at a cost of $360,000. While this was going on the normal work of these ships was not being done, which accounts for the spotty oceanographic work and the lack of research carried out by the department prior to making decisions which have a detrimental effect on the economy of Atlantic Canada.

You promised in the 1974 campaign that our fisheries resources, to the maximum extent possible, would be harvested, processed, and marketed by Canadians. The truth is that foreigners are still harvesting the largest percentage of the stocks taken from our waters.

You promised to provide additional financial support for the construction, conversion, and modification of fishing vessels. Yet in actual cases some fishermen have built new boats and are still waiting for subsidy payments.

You promised to provide improved marine facilities, such as wharves, breakwaters and haul-outs, under your small craft harbour policy, and pledged a budget of $30 million for the fiscal year 1974-75. It was to be maintained for four years. What happened? The very first year, when cuts had to be made, you did not cut down on the CBC, or on the National Art Centre, or on CIDA aid to Cuba; but you did cut from $30 million to $20 million your program of assistance—

Mr. Faulkner: Philistine.

Mr. Crouse: The Secretary of State (Mr. Faulkner) said something like "horse nonsense."

Mr. Faulkner: I said, Philistine.

Mr. Crouse: I wish the minister would stand instead of making these remarks from his seat. He said it is horse nonsense. It certainly is horse nonsense to give money to Cuba, yet to deny that type of assistance to Canadian fishermen. The government has cut $10 million from funds much needed for the construction of wharves, skidways, breakwaters, etc. Our people are losing their ships. Just consider the damage done to the Nova Scotia fishery a few weeks ago by high winds; there was lack of protection, responsibility for which must be laid at the feet of this government, and in fact of the Secretary of State. And the Secretary of State says, "horseradish."

Mr. Faulkner: I did not say horseradish.

Mr. Crouse: Why does the minister not stand up and tell the House what he said?

Mr. Faulkner: I said, Philistine.

Mr. Crouse: Or, let the minister be quiet and make his contribution at the proper time.

The government promised to develop our recreational fisheries through the rebuilding of fisheries stocks. It was to build hatcheries and spawning channels. So far all that the government has done is close down the fish hatchery at Kedgemakooge. I could go on and on. The list of broken promises is endless.

Frankly, the statement of the Minister of State for Fisheries establishing a quota of 30,000 tons of redfish for the 1976 Gulf of St. Lawrence fishery is totally unacceptable to the members of the official opposition. I say it is unacceptable because it is unjust, divisive, and indefensible. It is an unjust policy. The basis on which these quotas is established is false and deceitful.

To date the large trawlers owned and operated by Nova Scotians and Newfoundlanders landed approximately one half of all the redfish processed by plants in Prince Edward Island, Georgetown and Shippegan. The tonnage landed at these points came from only part of the fleet operating and based in the Gulf of St. Lawrence. By using the landings of the entire Canadian Atlantic fleet as a basis the government is setting up arbitrary quotas for the catching of redfish which apply only to those ships based in St. Lawrence River ports.

I say this closure is unjust because Nova Scotia, for example, has already landed most of its allowable quotas during the months of January and February. This, really, is a retroactive ruling. It does not permit the Canadian companies affected any time to plan or reorganize their operations. It is unjust because it works its greatest hardship among Canadians, ashore and afloat, in an area of Canada which cannot stand this further blow to its economy.

• (1510)

This is a divisive regulation. It divides one Canadian against another. If federalism is to mean anything, if we in Atlantic Canada are to be considered part of the Dominion of Canada, then the Gulf of St. Lawrence is owned as much by Newfoundlanders and Nova Scotians as it is by anyone else. Either we are all Canadians and all share equally, or federalism as we know it no longer interests. However, this regulation would imply that Nova Scotians and Newfoundlanders do not have the same fishing rights in the Gulf of St. Lawrence as other Canadians. It seeks to imply that we are little more than second class citizens, a title which we do not, will not and cannot accept.

I say this regulation is indefensible because the government gave no notice of its plans to the Canadian fishing industry. It is indefensible because the government is robbing Canadians of a fishing right which it is not prepared to take away from foreign trawlers fishing in these same Canadian waters. For example, let us look at the agreement signed between Canada and France on March 27, 1972. Article 3 reads:

—fishing vessels registered in metropolitan France may continue to fish from January 15 to May 15 each year, up to May 15, 1986, on an equal footing with Canadian vessels in the Canadian fishing zone within the Gulf of St. Lawrence.

Foreign fleets are phased out, but Canadian fleets are ordered out by this cabinet and by this government. How in the name of reason can this be called a conservation measure when foreign fleets, fishing in the Gulf of St. Lawrence primarily for cod, will throw back into the sea hundreds of thousands of pounds of dead fish; flounder, redfish, yellowtail, or any other kind of fish caught in their trawls?

In my opinion this action is indefensible because the government has gone ahead with regulations without conducting an impact analysis of the effects of its actions on the economy of Nova Scotia and Newfoundland. How many more fish plants must close down in Nova Scotia besides the four I already placed on record before the government wakes up and stops its nonsensical approach to this important primary industry?

The government's actions are indefensible because it announced control regulations before establishing a management plan for the fisheries on the Canadian continental shelf, a management plan which should project our fisheries objectives for no less than five and at least ten years ahead. We desperately need this plan for it was only in 1973 that government fisheries scientists were saying that redfish in the gulf were dying of old age.

The industry was told to modernize its trawlers and take advantage of these fish stocks. The industry did modernize. New ships and plants were built. New equipment was purchased. However, the government is now saying, "Sorry, gentlemen, you must cut back. You must shut down operations."

The Acting Speaker (Mr. Béchard): Order, please. I am sorry to interrupt the hon. member, but his time has expired.

Mr. Crouse: Mr. Speaker, there was no time allotment.

Mr. Knowles (Winnipeg North Centre): Twenty minutes.

Mr. Crouse: There was no 20 minute allotment arrangement made.

Mr. Knowles (Winnipeg North Centre): That is the rule.

The Acting Speaker (Mr. Béchard): I do not have the Standing Order before me, but the time limit is 20 minutes. It is Standing Order 58(13).

Mr. Crouse: May I have sufficient time to finish my remarks?

The Acting Speaker (Mr. Béchard): I am in the hands of hon. members. Does the House agree to allow the hon. member more time?

Some hon. Members: Agreed.

Mr. Crouse: I am grateful to the House for allowing me to finish. I shall not burden hon. members for more than three minutes.

Mr. MacEachen: A minute or two.

Mr. Crouse: The minister says a minute or two.

The industry did modernize. It improved its operations. I say to this House that you cannot treat the fishing industry like a light switch. It does not turn on and off that easily. It is too big and its ancilliary industries are so massive that it is time the government recognized its importance by appointing a full time minister to look after its problems.

The Minister of State (Fisheries) has not provided this House or the industry with one shred of evidence to prove that the stocks of redfish have declined below the sustainable yield level. How many tests were made, and what scientists carried out the studies? How much intermingling is there of stocks of redfish inside and outside the gulf? How big are the schools of redfish that surge into the gulf from St. Pierre banks, when do those migrations occur, and how long do they last?

There are questions the minister will not or cannot answer because his regulations are based on conclusions reached by bureaucrats in the ivory towers of Ottawa. The government moved the mint to Winnipeg. In my opinion the fisheries department should have great presence in Atlantic Canada as well as on the west coast. Civil servants should get out of the city, go to where the action is, and work with the industry. They would quickly learn that the big need of this industry is not marketing, which seems to occupy so much time of the minister's staff, but rather the big requirement is resource management.

Instead of carrying out isolated resource management on one or two species, as is being done on haddock and redfish in the gulf, the government should, in fact must concentrate its efforts on managing all the stocks on our continental shelf. You simply cannot manage fish stocks by selecting one or two species in isolation from the rest.

Finally, 1976 must be the year of action on the management of fish stocks by Canada. We must give notice by June, 1976, of any change of intent to withdraw from ICNAF, six months' notice, before we can act to set up our own management for our 200 mile economic zone.

Unfortunately at this time the government has no management plan and no stock assessment. In fact, this government is in a panic on this issue. It is signing away phasing-out rights to other countries without actually knowing the quantity of the remaining resource. Treaties are being made with foreign countries on a ten year basis, but Canadians are not being given ten days' consultation.

The government's information from its scientists is limited, garbled, hazy and, in many cases, incorrect. Not one scientist accompanied the winter fleet into the gulf this year. Why not make a start today on a resource management analysis? Get the scientists out of Ottawa, contact the industry and place at least six men on six different boats in the deep sea fleet for six months. Let them make soundings, age tests of fish caught, size and quantity of fish caught in every two hour tow, and the species landed.

In conclusion, this industry deserves better treatment than being put out of business by the wrong decisions being made by the wrong people living in the wrong places.

[Mr. Crouse.]

[*Translation*]

The Acting Speaker (Mr. Béchard): Order, please. I think that after the speech of the hon. member for South Shore (Mr. Crouse) it is appropriate for me to read Standing Order 58(13).

(13) During proceedings on any item of business under the provisions of this Standing Order except when the House is in a committee of the whole, no Member may speak more than once or longer than twenty minutes, except that both the mover of a debatable motion and the Member speaking immediately in reply thereto may speak for thirty minutes.

[*English*]

Hon. Robert Stanbury (York-Scarborough): Mr. Speaker,—

Some hon. Members: Oh, oh!

Mr. Nowlan: Look at the great fisherman.

Mr. McGrath: There are no fish in the Humber.

Mr. Stanbury: Mr. Speaker, when I have risen to speak on this subject in the past there has been a similar elitist attitude on the part of maritime members on the opposite side which I do not think serves well the interests of their constituents. If they should take the same attitude as a former member from Toronto did, that matters of particular interest to other parts of Canada were of no interest to him, this would be a lesser country and a lesser parliament.

Some hon. Members: Hear, hear!

Mr. Nowlan: Do you know where the fish market is, Bob? The fish market is at Lapointe's.

● (1520)

Mr. Stanbury: Perhaps unsuccessful leadership candidates on the other side can draw a lesson from the success of their winning candidate who took a highly national view and thereby won national support at their leadership convention.

The fact is that the resources of the sea are not solely the concern of maritime members, but the concern of all Canadians, indeed of all the people of the world. The sooner we appreciate this the more importance these resources will be accorded in terms of public policy, and the greater recognition there will be by government that they must be managed with care.

As the Law of the Sea Conference resumes in New York next week I am sure all hon. members will wish to express support for our negotiating team, our representatives at that conference who have conducted themselves so well on behalf of Canada in the past and who will be doing so over the next few weeks as well. I believe we have a first class negotiating team, headed on the professional side by one of our outstanding public servants. It has had the leadership of the Secretary of State for External Affairs (Mr. MacEachen), the Minister of State (Fisheries) (Mr. LeBlanc), the Minister of Justice (Mr. Basford), and the former Secretary of State for External Affairs, the present President of the Privy Council (Mr. Sharp).

We have not been followers in this matter. We have been leaders, and I think we should be proud of the performance of our ministers and our public servants in the leadership

they have given to the world in the field of the rule of law in all matters pertaining to the sea.

I believe the Secretary of State for External Affairs acknowledged, as I would like to do, that the mover of this motion, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) is motivated by a desire to support the negotiators at the conference. I am sure this is his desire. However, in dealing with the motion itself we must recognize that it is sadly deficient.

One needs only to listen to the spokesmen for the opposition to realize that the wording of the motion demonstrates as well as anything the difference between the approach of the government and of the opposition to Canada's foreign relations. The opposition seeks confrontation. The government seeks co-operation. It is surely apparent now, if it has never been in the past, that solutions to the interlocking world crises will not come about through expressions of self-interest on the part of each of us, but rather through a lot of hard work in co-operating among peoples and in improving respect for international law.

I admire the patience and the persistence which the government has shown in pursuing the establishment of the rule of law in matters pertaining to the sea and I believe all members, including the hon. member for Humber-St. George's-St. Barbe, wish our negotiators success as they continue this very important work on behalf of Canada.

The hon. member for South Shore (Mr. Crouse) emphasized the importance of having a strong voice speak for the fisheries of Canada. I believe we have that strong voice in the person of the Minister of State for Fisheries. We do need a full time Minister of Fisheries and we have a full time minister.

Mr. Knowles (Winnipeg North Centre): On half pay!

Mr. Stanbury: Well, if he is as effective and as hard working as he is at the pay he is getting I do not know that it would be fair to him to increase his pay, because he would feel he should work that much harder, and I don't think that is possible. He has been a most effective champion of Canadian fishermen, but beyond this he has been a most effective champion of the importance of the resources of the sea to all of us. This is something of which we must all become more conscious.

The motion before us says the government must unilaterally proclaim its exclusive jurisdication over a 200-mile coastal fisheries zone. This is the kind of gauntlet-throwing which does not contribute to progress in negotiations. It represents the ultimate option we may have to exercise, and the government has made it clear that we shall unilaterally proclaim a coastal fishing zone if necessary. But the motion says very little on close examination, and I suggest that to adopt it would achieve even less. To paraphrase the Minister of State for Fisheries who said in Geneva, "Fishermen cannot eat negotiating texts and fish stocks cannot be rebuilt with negotiating texts", I would suggest that fish stocks cannot be built on motions, nor can fishermen eat such motions.

Opposition spokesmen are ignoring what the government has already done and is doing for Canadian fishermen. This work is not about to start next week, Mr. Speaker. It began years ago. The Secretary of State for External Affairs mentioned that in 1964 the government did take unilateral action to extend Canada's fishing limit to 12 miles. It did so as a last resort, only after all possibility of agreement had been exhausted. In 1970 the government went further and closed certain areas, reserving them as exclusive Canadian fishing zones, and negotiated phase-out agreements with countries affected. As a result very substantial foreign operations off our coasts are already coming to an end. I believe this demonstrates the kind of effective action the government is prepared to take without leading to a "cod war" or a challenge before the International Court of Justice. Those are very real dangers which the motion before us ignores.

● (1530)

Canada has taken a back seat to no nation in the law of the sea discussions. The reason we have succeeded as well as we have is that we have always gone that extra mile toward seeking international agreement before striking out on our own. We have done this not because we are Boy Scouts, though some of us may have been, but because we are realists. Canada is and continues to be in the vanguard of countries pressing for a further extension of fisheries jurisdiction. We have already gained overwhelming recognition for the concept of the 200-mile limit.

The Geneva session of the Law of the Sea Conference last spring did not result in a Law of the Sea Convention, but it did produce a single negotiating text which represents a very significant step forward in these proceedings. The fisheries articles of the text are deficient in some points in terms of our objectives, but they reflect our interests in most respects and offer a sound basis for further negotiations which are now under way in New York.

We hope that the Law of the Sea Conference can succeed this year, but in any event the Secretary of State for External Affairs has reiterated today the firm commitment of the government to a timely and effective extension of Canada's fisheries jurisdiction to 200 miles. While the government would prefer to extend jurisdiction on the basis of a new Law of the Sea Convention, it has not awaited the conclusion of that convention to take action.

The House will recall that last July the government closed Canada's Atlantic ports to the Soviet fishing fleet in response to evidence of overruns of quotas agreed in ICNAF. At the same time Spain and Portugal were warned that the same action would be taken against them if their adherence to the ICNAF regulations did not improve. The response was quite satisfactory; within two months arrangements had been negotiated with the USSR to establish procedures which should guarantee compliance with ICNAF arrangements in the future. Appropriate arrangements have also been worked out with Spain and Portugal.

For the 1976 fishing season the government recently obtained through ICNAF a 40 per cent reduction in foreign fishing efforts for groundfish as well as a reduction in the total allowable catches for depleted stocks and higher quotas for Canadian fishermen on stocks of particular importance to them. These measures are not a substitute for the 200-mile limit but they will help provide for a smooth transition to extended jurisdiction.

To prepare further the way for extension of jurisdiction, Canadian officials have begun discussions with a number of governments whose fishing operations will be affected by Canada's adoption of the 200-mile limit. These negotiations anticipate the results of the Law of the Sea Conference and are intended to fix the terms and conditions under which foreign vessels would be permitted to fish in Canada's extended fishing zones, under Canadian authority and control, for resources surplus to Canadian requirements as determined by Canada.

We are informed that bilateral agreements along these lines have already been negotiated with Norway, Poland, Spain, and only yesterday with Portugal. In other words we have in place agreements that cover some 30 per cent of the total foreign catch in the ICNAF area off the Canadian coast, and an agreement with the USSR would bring this figure up to 88 per cent.

Surely it is important, Mr. Speaker, that Canada's extension of jurisdiction be achieved in such a way as to avoid "cod war" confrontations and keep enforcement costs to a manageable level. We do not want the kind of confrontation with other countries that has been cited with approval by members opposite.

I believe the hon. member for St. John's East (Mr. McGrath) interjected, while the minister was speaking, that Iceland has demonstrated she can take on Britain. Does the opposition really want Canada to have to demonstrate that she can take on Britain, or any other country? Surely not! This is a time when the rule of law should be improved in the world and extended, not a time for the rule of force.

At least for the present, negotiations offer many advantages and no disadvantages. The timing of the actual extension of jurisdiction will be important, but the government is now doing everything that could be done after extension of jurisdiction to make this extension truly effective. Whatever may happen in coming months the steps now being taken will contribute to the early attainment of Canadian objectives.

A so-called unilateral declaration is an option which could be exercised at very short notice in view of the fact that the Territorial Sea and Fishing Zones Act empowers the government to extend further Canada's fisheries jurisdiction by simple order in council. Thus, unlike such countries as the U.S.A., Mexico and Norway, Canada has long had in place the necessary enabling legislation for adoption of the 200-mile limit.

We must continue our efforts to reach international agreement on fisheries problems at the Law of the Sea Conference, through ICNAF and other international fisheries commissions as well as through bilateral negotiations. I suggest that these efforts are not incompatible with other forms of action that may prove necessary. Indeed they would prepare the way for such forms of action. There is a limit not only to our patience but to the ability of stocks and our fishing industry to survive under present conditions.

Unilateral action is one of the options open to us. However, even unilateral action requires negotiation if it is to be effective and successful, as it was when Canada moved unilaterally in 1964 and 1970. It is always tempting to take unilateral action, but unilateral action is not particularly rewarding unless it can be made to work. No government in this country or in any other country has demonstrated greater concern for the fisheries and fishermen and the resources of the sea than has the present Government of Canada. No government has done more than ours in the way of both national and international action to protect coastal fisheries and coastal fishermen.

We know that the future of our coastal communities is inseparably linked with the future of our fisheries, and I might go so far as to say with the future of all Canadian communities, and indeed of mankind. We intend not only to protect that future but to make it better than ever. We will take the measures that are necessary, but we will always act, I hope, in a responsible, reasonable, and realistic manner. We owe it to ourselves and to our fishermen to proceed in this way.

We are almost home, Mr. Speaker, and it would be folly at this point, simply for the sake of a dramatic entrance, to break down the door that is already opening.

● (1540)

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, as the hon. member who just spoke before me stated, we have almost made it home. History tells me we have known for many years that Jack did make it down the beanstalk with the golden goose, but I am not quite so sure our minister is as nimble, and I think, having heard him today, he may be caught in his own bear trap which he set at the bottom of the stalk.

Canada has set forward two thrusts in international negotiations in the past few years. We have been engaged in bilateral negotiations and in a unilateral declaration of the 200-mile limit. Although I do not predict this I wonder whether history will show that in our enthusiasm we have been too hasty and aggressive on the one count, and too slow on the other. It is not too many years ago that in British Columbia we climbed out of the hills after having gotten on a ladder, and having arrived at the top we found we had given away 50 per cent of the salmon run on a great river.

As the Canadian negotiators climbed that ladder I imagine they felt quite enthusiastic, smug, and self-satisfied that Canada was getting a good deal. I am sure they must have felt that way in respect of the negotiations on the Columbia River Treaty and the Skagit River Treaty. I am concerned, however, about that attitude.

The minister tells us we have in some way almost won the battle; that we have signed spectacular agreements with Norway, Portugal, Poland, and Spain and that he is pretty sure Russia will get to her knees and give us a tremendous deal. Personally I have some question about that. I would be suspicious under any circumstances, but having heard the minister today I am even more suspicious. While I agree in principle with the philosophy of dealing with cod wars and this type of thing through negotiated settlements, I wonder whether by taking that course of action we might well be sealing our heritage in vested sovereign rights unnecessarily and prematurely.

Any negotiation indicates a give and take. I ask the minister what we are giving up? What are they taking for these agreements? As I looked at the agreement with

Norway I thought it looked a progressive step because it stated very simply that Norwegian vessels would be permitted to fish in the area concerned under Canadian authority and control for resources surplus to Canadian requirements. That is pretty easy to agree to but today we have started to find out what really is behind the agreement. We have started to find out not only that we are talking about a surplus of Canadian fisheries requirements but are dividing that surplus up in given percentages. We have already given away percentages.

The minister made some sort of statement — at least I thought he did and I would ask him if he made the statement — that Norway, Poland, Portugal, and Spain have agreements, and that at the time we finish with Russia we will have given away the right to 88 per cent of our surplus. He shakes his head. I will be interested in hearing his explanation of that. At any rate he is giving away a guaranteed percentage of our fishing surplus.

That statement requires clarification because if we give away 88 per cent that leaves 12 per cent. Is that 12 per cent for East Germany, for the Koreas, and for the Third World? Is this not a dangerous and greedy precedent? That is certainly an area which the minister will have to clarify, and I will try to finish my speech as quickly as I can so that he will have that opportunity. I suggest that well might be the bear trap. If you give away 88 per cent here and 12 per cent there, you still have not mentioned the requirement of the Third World countries, the Koreas, East Germany or other areas.

I suggest that perhaps in his negotiations the minister should include some kind of a Third World option so that if these percentages are to be determined there will be a way out of them. Again, so far as I can see, he was talking about a surplus. I want to know, if he is referring to a surplus beyond Canadian requirements, where the requirements, of the United States come into the picture. Does he include the requirements of the United States and Canada as one and the same? Then I question, if he is already talking about giving away a majority or the greater part of our surplus, who it is being given to and how it is being given to them.

The rationale seems to be to ensure that our 200-mile limit will be respected. I am not sure I like to have it respected in that order of precedence. I think I might have preferred to see the precedence first through bilateral negotiations with the United States, our traditional friend and supporter. At any rate I am sure the minister will have some clarification in this regard. If he is walking into this trap, I urge caution. I urge him not to be too hasty in further negotiations with Russia. I urge him to be cautious in this area.

The time to be aggressive is in the declaration of the 200-mile limit. That is where he is moving cautiously. I ask him to move in that direction. This in effect is what this motion talks about. I do not in any way underrate not only the important implication of this 200-mile limit but also the effect it will have on the Canadian body of law and Canadian fishermen. Of course I support it. I do not underestimate its significance as a step forward in enlarging, and focusing on, the direction of international law. The implications for international law here surely are as great as the implications for fishing or for Canada itself.

But as I see Canada and our minister participating in this great international arena, and as I see him floundering when he says we have much planning to do in Canada before we are ready to make a declaration, I say that if we wait for the planning in Canada we will wait forever because there is so much that needs to be done at home. We might look at one absurd example. We talk in terms of international agreement and of us being a dominant factor in showing leadership and innovation. Yet this is a country which cannot even decide who has jurisdiction for the safety of our fishermen. I point out this is an absurdity, and question the ability of the minister in the broader and much more difficult problems which cannot be solved this simply.

In essence the problem stems from the fact that the federal and provincial governments have neglected to institute safety programs for the fishing fleets to prevent further loss of life on the coast of British Columbia. The situation is drastic and the outcome inevitable if the federal government insists on delaying safety provisions any longer. Last year some 14 lives were lost during the herring season alone, and some 13 vessels either capsized or went down. I think those 14 lives have some value and warrant the minister's time, concern, and energy. Those are the important values. So far this season one life has been lost and six vessels have either capsized or gone down. This was in the herring season alone and we can cite statistics in other areas.

● (1550)

This concern is recognized, but Ottawa is so busy playing little games that the provincial government tries to step in by bringing in Workmen's Compensation Board regulations overlapping and intruding on federal jurisdiction, with hundreds of pages of regulations which cannot possibly be met and might do more harm to individual fishermen than protect them as workers. Certainly that problem needs to be straightened out. Federal inspection has long been the responsibility of MOT and is clearly and historically a matter of federal jurisdiction. Any change in the regulations should be made through these channels. A separate and unrelated government department also inspecting fishing vessels is certainly not required.

There is no need for this loss of life and property which I have mentioned, and which goes on while we negotiate elsewhere. Fishermen, and more specifically the fishermen's union on the west coast, have urged the federal government for some years now to give this matter its immediate attention. The fishermen's proposals are most acceptable and quite logical. They are simply asking for a more effective air-sea rescue squad. This squad, which already exists, could be supplemented by the use of all available vessels, helicopters, and fixed-wing aircraft in the immediate vicinity. These other vessels exist in the form of RCMP boats, naval vessels, and naval helicopters. Certainly it would seem that in times of tragedy or possible death using these available vessels in an organized, effective, and efficient way is the only recourse and logical step of action.

Canadian fishermen are too often forced to rely on their U.S. counterparts for air-sea rescue. Their forces are well equipped, they are efficient, and Canada could learn much from them. Perhaps on his next international foray the

minister could take some time to find out about the simple problem of the safety of our fishermen and inquire of his U.S. counterparts how they can be so much more efficient and competent in this area.

It is no secret that these fishermen—

An hon. Member: The minister is not here to listen.

Mr. Wenman: I suggested a trip to the United States where he can meet with the delegates and obtain some information for our fishermen.

It is no secret that these fishermen who have a great deal of overhead are not well off by today's standards. These same fishermen on the west coast have asked for federal assistance grants to supplement their income. These grants are not for frills or lavish accessories for their vessels. These grants would be used for better equipping and reinforcing their boats and communications equipment. Constant communication is an absolute necessity in times of disaster. It is their only link to life.

These same fishermen, represented by their union, were quite prepared to sit down with the Minister of Transport (Mr. Lang), the Secretary of State for External Affairs (Mr. MacEachen), the Minister of State (Fisheries) (Mr. LeBlanc), and whatever power the cabinet can muster to look at this problem. Their intention was to meet with these ministers jointly with the minister of labour from British Columbia and representatives from the ministry of transport in British Columbia. Their plans were scuttled in every instance. I think those ministers responsible should plan to solve this problem expeditiously. It is not understating the situation to say that the lives of 7,000 people in British Columbia fishermen's union are at stake.

While I encourage aggressiveness in the declaration of the 200 mile, I also encourage caution in bilateral negotiations where a government may well be giving away our heritage. I ask the minister to qualify that. I wish the minister success in these negotiations, and although many say that the minister's efforts will not be fully rewarded and fruitful I am sure that Canada's position will be well expressed by a competent negotiating team. I hope the minister will listen to them and act accordingly.

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I regret that the speech which I had prepared for today cannot be delivered but I hope in the three minutes I have, to express the concerns of the people on the northwest coast in British Columbia as they relate to the opposition motion of today, which requests that an extension of Canada's territorial waters by 200 miles be undertaken unilaterally by Canada. This brings to mind many reasonable concerns of fishermen and mariners on the north coast of British Columbia because, of course, one of the major enterprises of that part of the world is the anadromous species on which we have heard a great deal of discussion at the Law of the Sea conferences.

When we have salmon which come to life in the waters of our rivers, which go to sea and know no restraints in their travels across the seas—there are also herring and other types of anadromous species—they do not stop at the 200-mile limit, turn around and come back in, but go much farther out to sea than the 200 miles. Therefore it is essential that in the negotiations that are taking place in New York, and that have taken place in Caracas and Geneva, the anadromous species be absolutely and completely cared for so that management of high seas fisheries by Canada can continue beyond the 200-mile limit.

What we are waiting for until we have negotiated a reasonable status for the high seas salmon and other anadromous species is that we make certain, beyond the 200 mile limit, that they are still under our economic control and that we have an economic zone of influence over these fish. I feel that it would be absolutely foolhardy to make a unilateral attendant upon our seas. What are we going to do about surveillance? Will we have one, single, unified coastguard in this country? Unless we do, I submit it will be impossible for us to declare unilaterally a 200-mile limit.

I cannot understand why the opposition finds it necessary to come up with this disease every once in a while of precipitous unilateralism, the symptoms of which are absolute myopia.

Mr. Speaker: Order, please. Pursuant to the order made earlier this day the House will now revert to routine proceedings, specifically to statements by ministers.

ROUTINE PROCEEDINGS

[*English*]

STATEMENTS BY MINISTERS

ADMINISTRATION OF JUSTICE—MINISTERIAL CONDUCT

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this morning the Minister of Justice (Mr. Basford) tabled a report of the Chief Justice of the Superior Court of Quebec with regard to allegations that certain ministers of the government had approached judges of the Superior Court of Quebec during the course of the last few years.

In the case five years ago of the President of the Treasury Board (Mr. Chrétien) the Chief Justice concurred with the view of the judge concerned that while the approach in question was not proper practice, it did not constitute interference or intervention calling for formal protest and he recommends that the incident should be considered closed.

In the case involving the Minister of National Health and Welfare (Mr. Lalonde) before he was elected to this House and while he was employed in the Prime Minister's Office six years ago, Mr. Justice Mackay decided not to take any formal action because it was clearly inspired by great concern for the nation's interest and not by personal reasons. The Chief Justice describes the approach as unusual—*insolite* is the word in French—but also believes this file should not be reopened.

● (1600)

In the recent case of the Minister of Public Works (Mr. Drury), while the associate chief justice did not regard the approach as an attempt to influence his judgment and so took no action, he did regard the approach, despite its good

intentions, as improper, and the Chief Justice found the facts related grave, given the stature of the person making the call and the circumstances in which the call was made. In the light of this finding the minister last night tendered to me his resignation.

After receiving the report of the Chief Justice, I consulted the Minister of Justice to ascertain if it contained any information which would justify the laying of formal charges of interference in the judicial process. I have been advised by the minister that it is the opinion of the law officers of the Crown that in none of the cases do they find grounds for charges that any of the ministers concerned acted illegally.

To conclude that there has not been illegal action is not, however, to say that there has been no impropriety. Indeed, in the case of the Minister of Public Works the Chief Justice has noted the gravity of the facts which led Mr. Justice Hugessen to regard the call to him as improper, however well motivated it may have been.

Had the associate chief justice felt the matter so serious as to take formal action to have it reported at the time to the Chief Justice, and through him to me or to the Minister of Justice, there is no doubt that I would have taken immediate steps to have an investigation made and, in the light of what was revealed, would if necessary have requested the resignation of the minister. I entirely concur with the view of the Chief Justice that the independence of the judiciary must remain protected from interventions from members of the cabinet, whatever may be the quality of the intentions which inspire them, and I believe the course of action I have described is the appropriate one which should be followed where members of the judiciary perceive that their independence is in any way being affected by members of the executive.

But the associate chief justice clearly was of the view that the call from the Minister of Public Works did not warrant formal protest. I do not excuse the minister's lapse of judgment in this matter. I sympathize with his good intentions, but I do not condone what he did. We have heard his apology this morning, and the way in which hon. members in all parties in this House received his apology and spoke of his distinguished career. After considering his long service to this House and to our country, and his well recognized stature as a man of honour without peer amongst us, I have come to the conclusion that I should not accept his resignation.

Some hon. Members: Hear, hear!

Some hon. Members: Shame!

Mr. Trudeau: Nothing further would be gained by my acceptance of it, and much would most assuredly be lost, not only to the government but to parliament and to Canada.

Some hon. Members: Hear, hear!

Mr. Trudeau: As regards the other two cases, though the judges concerned did not feel that any formal action should be taken and the Chief Justice has concluded that these incidents should be considered closed, I believe them to be sufficiently serious to warrant not only the sincere regret which the President of the Treasury Board and the Minister of National Health and Welfare, expressed this morning, but also that there should be an immediate clarification of the regime which under this and, I hope, any future government will govern the relationship of members of the cabinet with members of the judiciary.

I agree with the Chief Justice that the independence of the judiciary is a cornerstone of our democratic system and must be jealously guarded against all attacks. Indeed, I would go further and say that we must do what we can to avoid affecting the principle of judicial independence with even the appearance of possible compromise.

An hon. Member: Gee!

Mr. Trudeau: This clearly must not be achieved by saying that ministers may have no contact with judges. That would be ridiculous, not only for its effects on purely social relationships but also because a number of ministers must in the course of their duties discuss matters of government business with members of the judiciary. Indeed, it is clear that the rules on contact with judges vary somewhat not only in what they say, but in how they are customarily applied in the various jurisdictions of this country. Some hon. members of this House may even have different views as to what their duties to their constituents require them to do from time to time in getting in touch with judges.

But, in so far as this government is concerned, I believe that it must be clearly established that in future no member of the cabinet may communicate with members of the judiciary concerning any matter which they have before them in their judicial capacities, except through the Minister of Justice, his duly authorized officials or counsel acting for him, nor may any member of the cabinet communicate with members of quasi-judicial bodies which are constituted as courts of record concerning any matter which they have before them in their judicial capacities except through the minister responsible, his duly authorized officials, or counsel acting for him.

I turn now to the matter of public inquiry, such as is being requested by the opposition. I continue to hold the view that such inquiries are, by definition, related to inquisitory concepts of justice and should not be resorted to except when the rule of law cannot be relied upon to ensure that justice is done.

In the present case, in so far as relations between certain ministers and judges are concerned, the facts are known since both the ministers and judges have from personal knowledge stated those facts. it is also known that in the opinion of the law officers of the Crown those facts do not give rise to criminal or contempt action.

In so far as relations between ministers themselves are concerned, I stated this morning and I repeat now that, in my view, the privacy of conversations between any two individuals in society should be respected, except when the greater good of society demands otherwise. Since it is not improper to seek counsel and advice from a friend, even be he a minister, in any grave matter of personal concern, and since there is no reason to believe, nor has anyone in this House or outside alleged, that any conversation between ministers has resulted in any crime or conspiracy, there is no prima facie case to demand that secrecy of private communications be broken.

For these reasons, unless allegations or facts are brought to my attention of which I presently know nothing, I conclude that there is no need in this case for a public inquiry.

Some hon. Members: Hear, hear!

Some hon. Members: Shame!

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I, like other leaders of parties in this House, respond under a certain difficulty because only moments before the reading of this statement by the Prime Minister (Mr. Trudeau) did we receive copies of it. We were denied the opportunity to have those copies delivered in advance. That is at least uncivil behaviour on the part of the Prime Minister.

Some hon. Members: Hear, hear!

Mr. Clark: But that is not the worst of his performance here today or the worst element of what he has just had to say.

● (1610)

It was clear when the Minister of Public Works (Mr. Drury) spoke today in the House that there was a feeling that he had acted, in offering his resignation, with the propriety that one would come to expect of a man with his distinguished record of public service in Canada.

Some hon. Members: Hear, hear!

Mr. Clark: He indicated, in the act of offering his resignation, a set of high standards and a consciousness of public responsibility; the Prime Minister has just indicated that his standards personally and as leader of the government are not as high.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Clark: Mr. Speaker, I have a great respect as a man for the Minister of Public Works. I think it was entirely appropriate for him to present his resignation and I believe that in the circumstances, having regard to a judgment by the Chief Justice of the Supreme Court of Quebec that the minister had acted in a way which the judge characterized as improper, it is inexcusable for the Prime Minister now not to accept that resignation.

Some hon. Members: Hear, hear!

An hon. Member: The arrogance of power.

Mr. Lang: Except you recognize his honour and his distinction.

An hon. Member: Not yours, Otto.

Mr. Clark: Mr. Speaker, I recognize the honour and distinction of the Minister of Public Works and I regret it is not shared by his leader and perhaps by some of his colleagues.

I want to turn for a moment to the question of a public inquiry and the Prime Minister's refusal to widen the ambit of an investigation which the Chief Justice in his report indicated was limited and restricted to very narrow grounds. The Prime Minister has said in his statement that the facts are known.

Mr. Stanfield: To whom?

Mr. Clark: To whom? The answer is the facts are not known to the parliament of Canada.

Some hon. Members: Hear, hear!

Mr. Clark: They are not known to the people of Canada, and they are not known to the Chief Justice of the Superior Court of Quebec. If they are known to anyone they are known only to the Prime Minister of Canada and he has indicated to us today that despite the evidence of impropriety, despite actions which the Chief Justice of Quebec has described as improper, his standards do not lead him to accept the resignation which the standard of the Minister of Public Works caused him to offer.

Some hon. Members: Hear, hear!

Mr. Clark: So the facts are not known, Mr. Speaker. Since those facts relate to the ethics of ministers of the Crown, to the relations between ministers of the Crown and the courts of the land, it is important that the facts be known. It is important that the House of Commons know what the Minister of Consumer and Corporate Affairs (Mr. Ouellet) said to the Prime Minister relative to his own involvement in this affair. It is important that we know what other ministers, if any, what other citizens, if any, were involved in any attempt to intervene, to use the words of the Minister of Public Works, in decisions by the courts of the country. These are the facts which the parliament of Canada and the people of Canada have a right to know—

Some hon. Members: Hear, hear!

Mr. Clark: —if there is to be, in fact, a safeguarding of the independence of the judiciary in Canada.

From time to time, Mr. Speaker, Canadians ask about the distinction between major political parties in this country. The distinction is perhaps evident here today. The Prime Minister has indicated that he is satisfied there has been no impropriety; we, Sir, are not satisfied that there has been no impropriety.

Some hon. Members: Hear, hear!

Mr. Clark: We will not be so satisfied until the Prime Minister has come clean with the House of Commons and the people of Canada and laid before us, this highest court in the land, the facts—all of the facts relating to the activities of the ministers of his government and their attempts at intervention in the processes of justice and the activities of the courts of this land.

Some hon. Members: Hear, hear!

Mr. Clark: I want to say just one more thing on this matter, Mr. Speaker, that is, that to many of us who are not lawyers, who are innocent of the law, it is well established and well known—

An hon. Member: Ignorant.

Mr. Clark: —that there are certain ethical standards which should apply to individual Canadians, whether they sit in high positions or in low, relative to the independence of the courts and the integrity of the institutions of this country.

We know that any of us who attempted to intervene in court proceedings would be, at the least, acting in an improper way. That same standard should apply to ministers of the Crown much more strongly, if anything, than to ordinary citizens. What we have had indicated to us today by the decision of the Prime Minister, first not to accept the resignation, and second, not to launch an inquiry, is that in the view of his government there is an acceptable double standard which allows one code of conduct for ministers of the Crown—

An hon. Member: Liberals.

Mr. Clark: —and a more stringent code of conduct for the ordinary people of Canada.

An hon. Member: Shame!

Mr. Clark: That double standard is not good enough.

Some hon. Members: Hear, hear!

Mr. Basford: That is utter nonsense.

Mr. Clark: I trust that the reference to utter nonsense did not come from the Minister of Justice (Mr. Basford) of the land who is responsible—

Mr. Basford: Yes, it did.

Mr. Clark: It deepens my concern even more if it did. We have not had the four hours to consider this infamous document that the Prime Minister had to prepare it. I can say to the House that we do not accept at all his refusal to accept a resignation which should have been accepted; we do not accept his suggestion that, because he knows facts which he believes it would be inconvenient for the people of Canada to know, he will not establish a full inquiry.

We intend to continue in this House to press with every means at our disposal for a full and complete public inquiry that will cast public light upon the activities and involvement of the Minister of Consumer and Corporate Affairs and any other minister in this activity. We expect and we hope in light of the gravity of this question, however constrained we are by the rules of the House, however stonewalled we are by the refusal of the Government of Canada to give parliament information that parliament has a right to have, that we will at least enjoy the support of the people of Canada in this conflict.

Some hon. Members: Hear, hear!

Mr. Clark: Ordinary Canadians will not accept a government which insists upon a double standard of law where there is one code for ministers who can get away with intervention and a very different code for the ordinary people of the land.

Some hon. Members: Hear, hear!

An hon. Member: Nonsense!

● (1620)

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I am amazed at the profound disservice the Prime Minister (Mr. Trudeau) has done to this country's history of parliamentary government. Not only am I disturbed; I am surprised. I thought that the Minister of Public Works (Mr. Drury) recognized the important tradition of our system of government, a tradition established in our country and followed elsewhere for hundreds of years, which distinguished between moral conduct of a minister and strict legalisms. He submitted, on the basis of the report tabled earlier today, his resignation to the Prime Minister. Many in this House had kind, indeed honest things to say about the past performance of the minister. We meant what we said.

We thought that the Prime Minister would recognize the seriousness of that resignation. Obviously it was not tendered on the spur of the moment, as some kind of gimmick. The Minister who submitted his resignation knows something of the traditions of parliamentary government and knows that one should comply with those traditions.

Some hon. Members: Hear, hear!

Mr. Broadbent: I am sure the minister submitted his resignation in good faith, and I expected the Prime Minister to accept it in equal good faith. This afternoon he reneged. He did a great disservice to the history of democratic government in our country. When making his statement the Prime Minister said:

> Insofar as this government is concerned, I believe that it must be clearly established that in future no member of the cabinet may communicate with members of the judiciary concerning any matter that they have before them in their judicial capacities, except through the Minister of Justice . . .

Members on my side of the House and, I am sure, some on the other side consider that these words the Prime Minister uttered today represent the norm. He said that which is always expected in a parliamentary government. It was unnecessary to refer to future courses of action. We have always understood the rules which must guide a minister's conduct. Because the Minister of Public Works in a brief, temporary, single act violated that code, violated that principle of our system of government, he submitted his resignation this morning. On that basis the Prime Minister ought to have accepted it.

Some hon. Members: Hear, hear!

Mr. Broadbent: By turning down the minister's resignation the Prime Minister will increase the cynicism of the population of Canada. Some in society—I will not exaggerate their numbers but there are quite a few—believe that there is one law for the rich and powerful and another law for those not so rich or powerful. In my view the Prime Minister is saying that behaviour inappropriate to his own criteria will not be tolerated in future, but that he is going to accept such behaviour for the immediate past on the part of his ministers. The Prime Minister knows the traditions of our system of government and knows that the principle he enunciated in the House this afternoon has always existed.

The Prime Minister also knows that if this had taken place in Westminster, not only would the minister's resignation have been accepted today, it would have been forthcoming many days ago. If it had not been offered, a conscientious Prime Minister would have asked for it. I regret having to say this, but I believe it strongly.

The Prime Minister also said that he rejects the need for a public inquiry. What will be the effect of this rejection? Many opposition members have directed questions, serious questions, to the Minister of Consumer and Corporate Affairs (Mr. Ouellet), not about the proceedings in which he is involved before the courts but about his involvement with the activities of the Minister of Public Works. So far he has adopted a totally inappropriate attitude in the House and refused to answer questions. Without an inquiry, how is it possible for the House and the people of Canada to know what he said to the Minister of Public Works? Did he persuade that minister to influence, or attempt to influence, the judge? Surely we should know that.

If the minister was innocent, all he needed to do before today was get up, describe the conversation which took place and establish his innocence. He has systematically refused to answer questions in the House. Thus the clear possibility remains that one minister of the Crown directly requested another minister of the Crown to interfere in the judicial process. Without a public inquiry that whole relationship, that whole course of events, will remain obscure. The people of Canada, the people out there, outside the House, who want some ground for respecting our parliamentary government and who support the separation of the judiciary from the executive, will remain cynical. They will say, "This is a cover-up; there they are, those powerful people. They make the law; they implement the law. They even mingle with the judiciary; and they get away with violations." Cab drivers, fishermen, and other working people know in their hearts that they would not get away with such violations.

I repeat, the members of my party are profoundly disturbed with this decision. We think it does a great disservice to our country, to our country's history and will not reflect favourably on the government. We intend in the days ahead to pursue the matter with great determination because we think it is absolutely essential to separate the judicial from the executive functions of government. We are not going to let a renegade government abuse that principle.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, my intervention will be quite short. I would have liked to give my view on the Prime Minister's statement, but I do not know what happened, I have not yet received the French copy.

I have tried by all possible means to get that famous copy; I do not want to accuse the Prime Minister, he may not be responsible, but I have tried everything but I did not obtain that copy. I should not be told that there was not enough time to make a translation, because the Prime Minister has enough secretaries and bureaucrats in his office to write both statements in French and in English I do not accept that. I will keep my comments for some other time, just as long as it takes to get a French copy.

[*English*]

Mr. Speaker: Order, please. According to the practice established last Easter, there should now follow a short question period in which brief questions may be directed only to the minister who made the statement.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, out of sheer disgust, I move:

That the House do now adjourn.

● (1630)

Mr. Sharp: Mr. Speaker—

Mr. Speaker: Order, please. In accordance with the Standing Orders of this House it is well established that such a motion, as long as it is in writing and is in good form, is always in order and is not debatable. I have received in the proper form the motion now put by the hon. member for Winnipeg North Centre (Mr. Knowles), seconded by the hon. member for Greenwood (Mr. Brewin). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: This House therefore stands adjourned until 2 p.m. on Monday.

On motion of Mr. Knowles (Winnipeg North Centre) the House adjourned at 4:33 p.m.

APPENDIX "A"

MINISTER OF JUSTICE AND

ATTORNEY GENERAL OF CANADA

March 4, 1976

The Honourable Jules Deschênes,
Chief Justice of the Superior Court of Quebec,
Quebec District,
Court House,
Montreal, Quebec.

Dear Chief Justice Deschênes:

You will be aware that in his letter to me dated February 20, 1976, Mr. Justice Mackay drew to my attention three incidents which, in his view, constituted unwarranted attempts by Ministers of the Government of Canada to interfere with the judicial process in cases that were before judges of the Superior Court of the Province of Quebec.

As I indicated in my remarks in the House of Commons yesterday which are set out in the enclosed copy of the Debates, I feel that this is a matter on which I, as Minister of Justice should communicate with you as Chief Justice of the Court in question. In this regard, you will note that the transcript of the debates makes reference throughout to the Chief Justice of the Province of Quebec; it should of course refer to the Chief Justice of the Superior Court.

My reason for believing that the communication should be with you is set forth in the Debates. Put simply, I feel that if there is information indicating that anyone is or has been seeking improperly to interfere with the due administration of justice in a court, by approaches to a judge or otherwise, this is a matter of which the Chief Justice of the Court, as the judge principally responsible for the management of the Court and for protecting its independence and integrity, would be made fully aware.

I am therefore writing to you to invite you to draw to my attention, if you deem such action appropriate, information that may be in your possession respecting any unwarranted attempts to interfere with the proper administration of justice in your Court in respect of matters that should be of concern to me.

Yours sincerely,

Ron Basford.

APPENDIX "B"

CHIEF JUSTICE
SUPERIOR COURT OF QUEBEC

11776 March 12, 1976

Montreal, March 10, 1976.

The Honourable Ron Basford, M.P., Q.C.,
Minister of Justice,
Parliament Buildings,
Ottawa, Ontario.

Mr. Minister:

By your letter of March 4 last, you forwarded to me an invitation which, in its essential parts, read as follows:

> "My reason for believing that the communication should be with you is set forth in the Debates. Put simply, I feel that if there is information indicating tht anyone is or has been seeking improperly to interfere with the due administration of justice in a court, by approaches to a judge or otherwise, this is a matter of which thee Chief Justice of the Court, as the judge principally responsible for the management of the Court and for protecting its independence and integrity, would be made fully aware.
>
> I am therefore writing to you to invite you to draw to my attention, if you deem such action appropriate, information that may be in your possession respecting any unwarranted attempts to interfere with the proper administration of justice in your Court in respect of matters that should be of concern to me."

This invitation was extended against the background of allegations which had recently been made public to the effect that on three occasions Ministers of the Government of Canada had approached judges of the Superior Court of Quebec during the course of the last few years.

At the outset it is important to recall the basic principles which govern the relations between the judiciary and the other two branches of government in our country.

The British North America Act of 1867 deals with the executive branch in chapter III, the legislative branch in chapter IV and the judiciary (Judicature) in chapter VIII.

Sections 96, 99 and 100 of the B.N.A. Act assure the judiciary the guarantees of independence and security which are essential to its impartiality and which have been guaranteed by long tradition

since the Act of Settlement of 1700 (12-13 William III, Chapter 2),

notwithstanding the Constitutional Act of 1791 (31 George III, Chapter 31),

in conformity with the recommendation of Lord Durham in his Report of January 31, 1839 (Lucas, II, page 327)

and by virtue of the two acts enacted under the Union in 1843 (7 Victoria, Chapter 15 and Chapter 65).

It is of the utmost importance that this independence of the judiciary, achieved through great effort during the course of the last three centuries, be jealously guarded against all attacks.

More particularly, it must remain protected from interventions from Members of the Cabinet, whatever may be the quality of the intentions that inspire them.

It remains to add, in the light of recent events that it must also be protected from interventions from Parliament. I can do no better than to recall the words of Sir Wilfrid Laurier in the House of Commons on September 15, 1903:

> "It is a strange doctrine to preach that the judges are responsible to Parliament. Where is that responsibility? I have always understood that the judges were responsible only to their own conscience, and Parliament has no power over them. True, they can be removed, but only on an address of both Houses of Parliament. That law has been adopted to make them absolutely independent of Parliament, and they are only responsible to Parliament in extreme cases of malfeasance."
>
> (Can. H. of C. Debates, Sept. 15, 1903, p. 11313).

Within this system, certain persons hold the responsibility for ensuring the integrity and the efficacy of the functioning of the judicial system.

From the outset, considering the nature of the events which cause me to write to you and in order to avoid any confusion, it seems to me that we must discard any suggestion that the Canadian Judicial Council has a role to play in this matter. its jurisdiction relates to an examination of complaints relating to the conduct of judges and not to complaints that might concern the conduct of third parties in relation to them. (Judges Act, 1970 R.S.C. chapter J-1, section 30-32).

This having been said, the Department of Justice Act (1970 R.S.C. chapter J-2) provides in section 4 that

> "The Minister of Justice shall
>
> . . .
>
> c) have the superintendence of all matters connected with the administration of justice in Canada, not within the jurisdiction of the governments of the provinces;"

On the other hand, my duties as Chief Justice are described in part in section 21a of the Courts of Justice Act of Quebec (1964 R.S.Q., chapter 20, as amended by 1974 S.Q. chapter 11, section 13):

> "21a. The Chief Justice, the Senior Associate Chief Justice and the Associate Chief Justice of the Superior Court shall coordinate and apportion the work of the judges of such court.
>
> The judges of such court shall be under the supervision of the Chief Justice, the Senior Associate Chief Justice and of the Associate Chief Justice and must comply with their orders and directives as regards the carrying out of their work.

Such paragraphs apply subject to the provisions which follow."

As everyone knows however, this statutory provision describes but one part of the total duties of the Chief Justice, and that his duties derive even more from unwritten practice and tradition.

One thing is certain, I have a profound concern for the integrity of the Superior Court, the independence of its members and the efficacy of its work.

There exists then a definite point of contact between your obligations and mine, though they may come from different sources: it is for this reason that I consider it my duty to respond to your invitation.

I consider myself however under no obligation in relation to Parliament—save that of good behaviour—nor towards the government and the invitations to undertake an inquiry which have been addressed to me in the House of Commons appear to me to be out of place.

Even more out of place appears to me to be the suggestion, also expressed in the House of Commons, that there would exist a "cosy 'All in the family' arrangement" (H. of C. Deb., March 4, 1976, page 11490).

I can also only dismiss the proposition that I proceed to interview privately one or other Members of the Cabinet whose names were mentioned in the House. I was not appointed to conduct a commission of inquiry and of course it is obviously not one of my functions to set myself up as a semi-official investigator on behalf of the House of Commons.

I have therefore not met with your colleagues nor had the least contact with them, either directly or indirectly.

I have learned through the media, these past few days, the allegations of unwarranted interventions that the Honourable Judge Kenneth C. Mackay forwarded to you by letter of February 20, 1976 concerning the Honourable Marc Lalonde, the Honourable Jean Chrétien and the Honourable Charles M. Drury.

These are obviously matters of concern to me, and concerned me as soon as they came to my attention. I must point out however that no one had made the least mention of them to me before the reports of the Globe & Mail of Toronto on March 3. Moreover, the first two incidents arose during the term of my predecessor who, to the best of my knowledge, had not been made aware of them, at least officially.

I therefore do not want to set myself up here as a judge neither of your colleague nor of mine. But in view of the publicity that these incidents have attracted and considering the effect that they are likely to have on the conception that the public holds and should hold concerning the administration of justice, I believe it opportune to forward to you the information that I have so that you may, in respect of your responsibilities, adopt such measures as appear to you to be appropriate. I will do the same, as may be appropriate, within the sphere of my responsibilities.

The three incidents arose in the Province of Quebec and involved three members of the Bar. It therefore appears to be in order to recall certain rules which regulate the conduct of lawyers.

Section 2 of the Bar Act (1967 S.Q. chapter 77) came into force on June 29, 1967 and has not since been amended:

"2. An advocate is an officer of the court and participates in the administration of justice.

2. L'avocat exerce une fonction publique auprès du tribunal et collabore à l'administration de la justice."

Regulation number 1 of the Bar of Quebec was adopted on October 20, 1967 and came into force on February 1, 1968. The sections which follow, taken from this regulation, have not been amended since:

"29. 1. An advocate must serve justice and uphold the authority of the Courts. He must never compromise the honour and dignity of the Bar. He must be faithful to his clients and honest and courteous to other advocates. So he must scrupulously discharge the duties imposed by the rules, traditions and customs of the profession."

"43. 3. In the absence or without the knowledge of the other party or of his advocate, he shall not make, before judgment or decision, on behalf of a party in a contested matter, any verbal or written representations to a judge, a court or the members of a judicial or quasi-judicial body."

"68. An advocate shall not, by fraudulent or illegal acts, try to prevent that justice be done."

I now propose to deal briefly with each one of the incidents in question.

One of them involved the Honourable Jean Chrétien and Mr. Justice Harry L. Aronovitch, in the fall of 1971.

Mr. Justice Aronovitch has provided me with the following description of the event which he has authorized me to transmit to you:

"On September 30, 1971, I heard the following matters: 1. Petition to ratify proposal; 2. Opposition to ratification of proposal; 3. Motion to delay ratification of proposal. At the termination of the hearing, it was agreed that written notes were to be submitted within one week, and, then, I was to make all the afore said matters under advisement.

Some time in October 1971, Mr. Jean Chrétien, whom I did not (and still do not) know, telephoned to find out when I would render judgment. He identified himself to me, not as a cabinet minister, but as a member of Parliament interested in the people in his riding or constituency where apparently the petitioner was operating.

As occurs on the rare occasion when such a call is received from a lawyer, I told him that I would render judgment when ready, or something to that effect. In any event, as I recall, I made it clear that his telephoning me would have no bearing on the date of the judgment which, again, was the only subject raised in the call.

I subsequently conveyed my feelings to some of our colleagues, at lunch, but did not consider the matter serious enough to report it to the Chief Justice; that is, while I consider the telephone call was not proper practice, I did not consider it to be interference or intervention calling for formal protest.

On November 3, 1971, my judgment was drafted, and on November 9, 1971, judgments were signed whereby I ratified the propoasl, as amended, dismissed the opposition, as well as the Motion to delay the ratification."

I share the views of Mr. Justice Aronovitch and, like him, I consider that the incident should be considered closed.

The second incident involved Mr. Marc Lalonde, at that time employed in the Prime Minister's office, and Mr. Justice MacKay.

Mr. Justice MacKay provided me with the version of the facts which he has authorized me to transmit to you:

"On Friday, March 6, 1970, the Crown led by Mr. Fred Kaufman (as he then was), completed its address to the jury sitting in the trial of Regina v. Robinson and eleven other persons accused of several charges of conspiracy arising out of the destruction of a computer at Sir George Williams University in 1969. I dined out that evening and when I arrived at my home at 3275 Cedar Avenue, I found that there was a message to call Mr. Marc Lalonde with whom I was slightly acquainted. The message gave no particulars as to the reasons for the call and I decided to call him in the morning. When I called there was no answer. During the day I worked in the library of my home on the preparation of my address to the jury. When I completed my work for that day—it was about six I would say—I called Mr. Lalonde again. He said he had been skiing with his family that day but would like to . . . drop around and see me the next day, which was Sunday. No reason was given for his wish to see me and both my wife and I were curious as to the purpose of such a visit. I did know of course that he was in charge of the Prime Minister's office, and we conjectured that it might have something to do with the possibility of another appointment.

In any event, late on Sunday morning, while I was working in my library, Mr. Lalonde arrived and I greeted him cordially, gave him a drink and mentioned that he was fortunate to have been able to ski the day before although he must find it awkward to rush down every weekend to be with his family since his many duties must interfere with this. We then exchanged a few more such banalities in French, which was the language in which our entire conversation was conducted.

He then came to the point of his visit: he told me that on Friday a telegram had been sent to the Prime Minister by Prime Minister Williams of Trinidad in which the latter had said that if the accused—who were natives of Trinidad—were found guilty before he could get control of the local disturbed situation, that there was a very real possibility of a violent uprising in Trinidad. Mr. Lalonde said that when the telegram was received the Prime Minister had already taken off for a skiing holiday in the West, but that he—Lalonde—and others in the Prime Minister's office felt that the situation was so serious that it was decided to see me with a view to delaying the jury's decision. He pointed out that Canada had many interests in Trinidad and that these might well be affected if an uprising occurred in that country. I told him that I was about to charge the jury the next day and that there was nothing I could or would do to delay the jury's decision. I also told him that due to the complexity of the charges it would in my opinion be unlikely that a jury would come to any decision until the end of the week at the earliest. He repeated that the situation was one of grave concern.

As I showed him out we exchanged a few more general comments. The interview lasted for at least thirty minutes and although it continued to be cordial I was, inwardly at least, disturbed by this visit. Not only did I feel that I was being asked to see that the jury's decision was delayed, but that if for any reason the defence attorneys learned of the visit there was a possibility of a mistrial after an arduous and expensive eight week trial. I expressed this concern to my wife and requested that nothing be said about the visit at least until after the case was concluded.

I would add that I also decided not to say anything further about the matter, because Mr. Lalonde's visit was clearly inspired by his great concern for the nation's interests and not by personal reasons.

I subsequently reported this incident to a few of my colleagues including the late Associate Chief Justice Challies. But I did no informally after the case had been disposed of. I also told two or three friends who are members of the Bar.

I enclose my entire file relating to this matter. If some references may cause you offence I regret it, but as I have already assured you, all these letters were sent with the certainty that they would be read only by the recipients. I might also say that my purpose in bringing up the incidents set out in my letter to Mr. Basford, was simply to reply with particulars to the question he put in his letter to me. Although I was shocked to learn that my correspondence had been leaked to the press, nevertheless I believe that the publicity will have at least one beneficial effect. Never again will a member of the executive branch of the Government communicate with a judge about a case which he is trying."

I do not know the Honourable Marc Lalonde's version of the facts and I therefore do not wish to pass judgment on his conduct.

However, considering the particular circumstances surrounding this affair, I understand Mr. Justice Mackay's reaction in face of this unusual approach and I do not believe that it behooves me, six years later, to reopen the file.

The last incident involved, approximately two months ago, the Honourable Charles M. Drury and the Associate Chief Justice James K. Hugessen.

I can do no better than to transmit to you, with his authorization, Mr. Justice Hugessen's recital of the events that he provided to me on March 5:

> "Mr. Drury telephoned me during the hearing of the contempt proceedings against André Ouellet. The call came to my home, in the evening, after dinner, when I was in the basement helping my youngest son to assemble a model train set which he had received for his birthday, a few days before. I took the call where I was and did not make any notes of it. The date was between the first and second days of the hearing, which were respectively January 8 and January 16, 1976. I am almost certain that the actual date of the call was Wednesday, January 14.
>
> I have known Mr. Drury for many years and, while we are not intimate, we are on first-name terms.
>
> The conversation dealt with two aspects of the Ouellet case:
>
> 1. Whether it would be possible for Mr. Ouellet to make a formal apology and thereby bring the proceedings to an end, and
>
> 2. The view which Mr. Drury felt was being expressed in some quarters in Ottawa that the proceedings against Mr. Ouellet were in some way a ganging up of the English speaking Establishment against prominently placed French speaking persons.
>
> With regard to the first point, I simply told Mr. Drury that a person accused of contempt could always attempt to purge his offence by making a full and complete apology and that any such action would undoubtedly be taken into account by the Court in its final disposition of the matter. I also told him that the working out of the terms of the apology and any related matters should be discussed between counsel in the case and that I should not be involved until counsel had reached an agreement and were prepared to see me jointly. In fact, I had had . . . a rather similar discussion with both counsel in my chambers immediately before the case started, on January 8. In both cases, the discussion was very short and came to an end when, in the first case, Mr. Ouellet's counsel and, in the second case, Mr. Drury said that Mr. Ouellet denied having spoken the words attributed to him. Since an apology would necessarily involve an admission of the words alleged, any further discussion was futile.
>
> On the second point raised by Mr. Drury, I simply told him that I had never heard of any such thing, that I considered it to be ridiculous, and that, in any event, as a judge these matters were completely beyond my competence and I could not even consider them.
>
> While I felt at the time that the call was improper (and I believe I said so to Mr. Drury), I did not think that he was attempting to influence my judgment. I rather had the impression that he was attempting, if possible, to head off a confrontation between the executive and judicial branches of government. In any event, rightly or wrongly, I did not take any action with regard to the call and dismissed it from my mind. To the extent that one can determine one's own mental processes, I am quite convinced that the call did not influence my decision one way or the other."

In fact, as you know, Mr. Justice Hugessen upheld the request for a citation for contempt of court by judgment dated January 23, 1976, which judgment is now under appeal.

I have little doubt that the facts related by Mr. Justice Hugessen are grave, considering the stature of the person making the call and the circumstances in which the call was made to him.

However, I do not know the Honourable Mr. Drury's version of the facts and I imagine there were no witnesses to the event.

Therefore, I abstain from passing judgment, except to note that Mr. Justice Hugessen played but a passive role here and was the victim of circumstances.

These are, Mr. Minister, the facts that I consider it my duty to bring to your attention.

Considering the very special circumstances that have surrounded the revelation of these incidents and the debates in Parliament to which they have given rise, I have no objections to your making this letter public, if you consider that appropriate. My three colleagues whose version of the events is set out above, have also consented to the publication of this letter.

Indeed I would see some advantage in doing so, so that the public may be reassured of the integrity of the judiciary, in view of the negative results of the approaches of which my colleagues were the object.

Yours truly,

Chief Justice,
(signed) Jules Deschênes

Quebec, March 10, 1976.

Chief Justice Deschênes submitted this account to me in my capacity of Senior Associate Chief Justice of the Superior Court especially responsible for the administration of the Superior Court in the Quebec Appeal Division.

After consideration and discussion, I agree entirely with the views expressed by my colleague.

Senior Associate Chief Justice,
(signed) Eugène Marquis

HOUSE OF COMMONS

Monday March 15, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ADMINISTRATION OF JUSTICE

PROPOSED DISCUSSION OF RULES GOVERNING BAIL FOR DANGEROUS OFFENDERS—MOTION UNDER S.O. 43

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of pressing and urgent necessity. All of Canada was shocked at the murder of yet another policeman in the city of Calgary. It was a further shock when the public was informed that the two main figures involved in this tragic weekend drama, William Nichols and John Gamble, were released on bail after having been charged with attempted murder and murder respectively. I move, seconded by the hon. member for Calgary Centre (Mr. Andre):

That this House urge the Attorney General of Canada to contact all provincial attorneys general in order to discuss and set out rules and criteria regarding the granting of bail to dangerous offenders such as the said Nichols and Gamble who committed another horrible deed in Calgary.

Mr. Speaker: Order, please. Such a motion requires the unanimous consent of the House before presentation pursuant to Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Woolliams: The Minister of Justice wants to agree to it.

Mr. Speaker: Accordingly, the motion cannot be put.

* * *

EXTERNAL AFFAIRS

SUGGESTED APPEAL TO URUGUAY TO END REIGN OF TERROR—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. According to the research department of Amnesty International at least 6,000 persons in Uruguay, about one in every 450 of that country's 2.5 million people, is a political prisoner. During the last few years one in every 50 persons has been subjected to interrogation, arrest, imprisonment or torture. The rule of terror in Uruguay is brutal and as far reaching as any in the world. I therefore, move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That our Department of State for External Affairs send a controlled and dignified appeal to President Bardaberry of Uruguay seeking an end to such monstrous crimes in his nation.

Mr. Speaker: Pursuant to Standing Order 43 the motion can only be presented with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

REQUEST FOR STUDY OF REFUSAL TO ACCEPT RESIGNATION OF MINISTER OF PUBLIC WORKS—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, pursuant to the provisions of Standing Order 43, I request the unanimous consent of the House to move a motion concerning a matter of urgent and pressing necessity.

Since, according to the basic rules of our judiciary system, a Canadian citizen cannot intervene in the affairs of a court concerning a case submitted to justice and acts illegally if he does, and since members of a government must not only abide by the same rules as every other citizen but should also make it a duty, as established authority, to set the example by taking on, as it were, the leadership of integrity, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the House discuss immediately the statement made Friday by the Prime Minister to explain his refusal to accept the resignation of the Minister of Public Works, with a view to finding out whether in fact the rule of law can guarantee that justice be done in a case in which politics are involved, such as "the judges' affair", which concerns the House, and also to discuss the need to set up strict rules of professional ethics for parliamentarians in this regard.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Pursuant to the provisions of Standing Order 43, the motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: As there is not unanimous consent, the motion cannot be put.

[*English*]

SPORTS

CONGRATULATIONS TO NEWFOUNDLAND ON WINNING THE CANADIAN BRIER—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I too would like to rise under the provisions of Standing Order 43 with the indulgence of the House. On Saturday, March 13, in the city of Regina four of Newfoundland's finest took on the best curlers the mainland could muster and walked away with the Canadian Brier. Now, it is on to Duluth for the world's championship and in the words of Shakespeare: "Lead on McDuff—damn'd be he that first cries hold, enough". I would therefore move, seconded by the hon. member for Regina East (Mr. Balfour):

That the House extend its congratulations to Newfoundland on winning the Canadian Brier and further that this House direct that they bring home the world cup from Duluth.

Some hon. Members: Hear, hear!

Mr. Speaker: Is there unanimous consent to the presentation of the motion?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

CANADIAN NATIONAL RAILWAYS

PROPOSAL TO INVESTIGATE INCREASE IN PASSENGER RATES—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to move a motion under the provisions of Standing Order 43. The application of CNR to increase its passengers rates in Newfoundland is contrary to an announcement by the Minister of Transport on November 14, 1975 that all federal Crown corporations whose rates are subject to review or regulation by federal regulatory authorities will be subject to the government's anti-inflation guidelines. I therefore move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the application of the CNR to increase passenger rates by some 250 per cent in the province of Newfoundland be investigated by the Canadian Transport Commission and that CNR be directed to cancel advertising which states: "Your money goes further when you go CN" and that "one of the few bargains left these days is a CN train ticket".

Mr. Speaker: The motion can only be presented with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

ADMINISTRATION OF JUSTICE

REQUEST THAT CONSUMER MINISTER MAKE STATEMENT ON CONVERSATIONS WITH MR. DRURY—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion. Because statements made by the Minister of Public Works have raised serious doubts about the propriety of the actions of the Minister of Consumer and Corporate Affairs, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House urges the Minister of Consumer and Corporate Affairs to make a full and complete statement on his discussions with the Minister of Public Works concerning the making of representations on his behalf to Associate Chief Justice Hugessen or any other members of the judiciary.

● (1410)

Mr. Speaker: Order, please. The motion can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL DEFENCE

SUGGESTED COMMITTEE STUDY OF BILINGUAL COURSES AT ROYAL MILITARY COLLEGE—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I should like to move a motion of urgent and pressing necessity under the provisions of Standing Order 43. In view of the fact that the federal government will have to pay an estimated $122,000 to put each of the Francophone cadets through the new bilingualism course at the Royal Military Academy and $72,000 for each English speaking cadet, and in light of present economic conditions, I move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That the matter of the bilingual courses at the Royal Military College be referred to the Standing Committee on External Affairs and National Defence for an evaluation of these courses to determine if the Canadian taxpayer is receiving his money's worth and that a report be prepared by April 30.

Mr. Speaker: Order, please. Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENVIRONMENTAL AFFAIRS

REQUEST FOR REPORT ON ENVIRONMENTAL EFFECTS OF DRILLING IN BEAUFORT SEA—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provi-

sions of Standing Order 43. My motion is prompted by the fears of many Canadians who live near the Beaufort Sea and who depend on it for their livelihoods that the offshore drilling program proposed by Canmar for the summer could result in serious pollution damage to the area. In light of the fact that Mr. Justice Berger has already taken evidence about the possible effect of the program I move, seconded by the hon. member for Lambton-Kent (Mr. Holmes):

That this House strongly recommends to the cabinet that it seeks a special report from the Mackenzie Pipeline Inquiry before making a final decision on Canadian Marine Drilling Ltd.'s application to drill in the Beaufort Sea.

Mr. Speaker: Pursuant to Standing Order 43 such a motion can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SPORTS

CONGRATULATIONS TO EGON BEILER ON WINNING WORLD WRESTLING CHAMPIONSHIPS—MOTION UNDER S.O. 43

Mr. Joe Flynn (Kitchener): Mr. Speaker, I rise under the provisions of Standing Order 43. In view of the fact that Mr. Egon Beiler of Kitchener, Ontario is a winner of gold medals at the British Empire Games, the Pan-American Games and the World Cup Games, and now is the first Canadian wrestler to win a gold medal at the World Championships, I move, seconded by the hon. member for Lafontaine-Rosemont (Mr. Lachance):

That the House convey through Mr. Speaker heartiest congratulations to Egon Beiler of Kitchener for being the first Canadian to win a gold medal at the World Championships of Wrestling.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Pursuant to Standing Order 43 the motion can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: Get him to wrestle inflation.

Mr. Speaker: Having heard the terms of the motion, is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

ORAL QUESTION PERIOD

[*English*]

ADMINISTRATION OF JUSTICE

REQUEST FOR PUBLICATION OF FACTS SURROUNDING ALLEGED INTERFERENCE OF MINISTERS WITH JUDICIARY

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. Since the Deschênes report has determined the exemplary conduct of the judges involved and pointedly excluded any examination of the ministers involved, does the Prime Minister intend to continue to keep from parliament the facts about the conduct of the ministers?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, Chief Justice Deschênes makes it clear why he does not comment on the ministers themselves and why he does not make an investigation of the ministers, and perhaps the Leader of the Opposition might want to refresh his memory on that. In so far as investigation of the facts, we believe that the facts which have to be known, in so far as they might or might not have consisted of contempt of court or interference with justice, have now been made known by the courts.

Some hon. Members: Oh, oh!

An hon. Member: Ridiculous!

An hon. Member: Stonewall.

Mr. Trudeau: Unless hon. members opposite believe that the Chief Justice is not telling all the truth—

Some hon. Members: Oh, oh!

An hon. Member: You are not telling all the truth.

Mr. Clark: We on this side of the House are confident that the Chief Justice has made public all the information which was available to him.

Some hon. Members: Hear, hear!

Mr. Clark: We only wish the Prime Minister of Canada would follow that tradition and make available to the House of Commons the information he possesses.

Some hon. Members: Hear, hear!

Mr. Clark: Since the matter of intent, as alleged by Mr. Justice Mackay, related to conversations among ministers which the Chief Justice did not, because he could not, investigate, will the Prime Minister tell the House why he asked the Department of Justice strictly to advise whether the letter of the Chief Justice provided grounds for laying charges? Since the reported approach contained statements that could have constituted an attempt to influence the court, why does the Prime Minister refuse to allow investigation of the events that led to a calculated approach to Mr. Justice Hugessen?

Mr. Trudeau: Mr. Speaker, I submit that the premise of the hon. member's question is erroneous—

Some hon. Members: Hear, hear!

Mr. Trudeau: —when he indicates in some way that Mr. Justice Mackay is concerned about conversations between ministers. I know of nothing in Justice Mackay's allegations that would support that premise. Therefore, the conclusion is false.

Mr. Clark: Mr. Speaker, I suggest the premise of the Prime Minister's response is evasive.

Some hon. Members: Hear, hear!

Mr. Clark: As a supplementary question I should like to ask the Prime Minister, just so that we might be clear as to where we stand on the rights of parliament to have the facts of this case, does it remain the position of the Prime Minister that the House of Commons and the people of Canada have no right to know about the events which the Prime Minister knows about—the events that led to an intervention by a minister of the Crown with the courts of the land?

Mr. Trudeau: Mr. Speaker, I think all the facts about that are known—

Some hon. Members: Oh, oh!

Mr. Clark: Not at all.

Mr. Trudeau: —in so far as they relate to the contempt proceedings. In so far as they relate to conversations between any two members of cabinet, I explained yesterday that that, like any conversation between any two members here, should not be the concern of parliament.

An hon. Member: Conspiracy.

Mr. Trudeau: If parliament suspects, as one member shouts, that there has been conspiracy or indeed something illegal there, I suggest they should make an accusation.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Crouse: Double standard Grits.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—INQUIRY WHETHER MR. DRURY ASKED ABOUT APOLOGY BY CONSUMER MINISTER

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is for the Minister of Public Works. Chief Justice Deschênes said that an invitation to undertake an inquiry addressed to him in the House of Commons appeared out of place and he said that he was not going to act as any investigator for the House of Commons. May I put my question to the Minister of Public Works? Mr. Justice Hugessen stated that the Minister of Public Works asked:

> ... whether it would be possible for Mr. Ouellet to make a formal apology and thereby bring the proceedings to an end.

Is that in fact what the minister did and in doing so did he advise the Minister of Consumer and Corporate Affairs and "the other party" to the proceedings of his intention to try to solve the matter?

[Mr. Trudeau.]

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, the question is in two parts. The answer to the first part is in the affirmative. The second part will not be answered by me for reasons given by the Prime Minister—

An hon. Member: Oh, come on!

An hon. Member: Come clean!

Mr. Clark: These are the facts that we have, are they?

Mr. Drury: —relating to the privacy of communications as between colleagues and myself.

Mr. Clark: Relating to the arrogance of the government.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—POSSIBLE REFERENCE BY MR. DRURY TO GANGING UP OF THE ENGLISH AGAINST THE FRENCH

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I ask the Minister of Public Works another question in light of the fact that we are trying to get the facts. In the Deschênes report it is stated by the Chief Justice that:

> The view which Mr. Drury felt was being expressed in some quarters in Ottawa that the proceedings against Mr. Ouellet were in some way a ganging up of the English-speaking establishment against prominently placed French-speaking persons.

Is that what happened and in light of the judge's comment that he thought the minister was attempting to head off a confrontation between the judiciary and the executive, did the minister, in effect, warn the judge that the outcome of the case would have serious political repercussions and could threaten the courts?

Hon. C. M. Drury (Minister of Public Works): I think the answer to that, Mr. Speaker, is that the conversation I had with Judge Hugessen was in no way either intended by me, and I am quite sure from reading his report, interpreted by him as a threat of any sort, shape or form.

An hon. Member: That is not the question.

An hon. Member: Answer the question.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—INQUIRY WHETHER MR. DRURY ACTED ON OWN INITIATIVE IN CALLING JUDGE HUGESSEN

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is also for the Minister of Public Works. The minister was asked outside this House if he went to Judge Hugessen on his own initiative. There was a slight pause and he said, as I saw it on television, that he went on his own responsibility. I should like to ask him if he was requested by any other minister of the Crown to have a conversation on that matter with Judge Hugessen and if so, by what minister?

● (1420)

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I am surprised. The hon. gentleman watched the television program. I am surprised that he should pose the same question, because, on that television program, I made

it clear I acted on my own responsibility and that I accepted responsibility for what I did.

Some hon. Members: Oh, oh!

Mr. Clark: At whose initiative?

Mr. Broadbent: You have not accepted it yet.

Mr. Drury: Mr. Speaker, please allow me to finish.

Mr. Clark: We will allow you to resign.

Mr. Drury: I made it clear that I accepted responsibility for what I did or did not do. It would be less than proper to shift the blame onto other shoulders. That is was the hon. gentleman is encouraging me to do.

Mr. Broadbent: Not at all.

Mr. Drury: I refuse.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, in a democracy a government does not conduct its affairs as if it were a gentleman's club.

Some hon. Members: Oh, oh!

Mr. Broadbent: In view of the serious allegations about the minister's own conduct contained in the report of the Chief Justice of the Superior Court of Quebec, tabled in this House on Friday, and implicating the minister in wrong behaviour, which he acknowledged last Friday morning, does he not think it is in the public interest for the public to know whether such course of action was proposed to him by another minister of the Crown?

Mr. Drury: Mr. Speaker, the answer to that is, categorically, no. There is a public curiosity. If I accept responsibility for what is done, it would be shameful of me to try to push it off onto others, in order to protect myself.

Some hon. Members: Hear, hear!

POSSIBILITY CONSUMER MINISTER SHOULD MAKE STATEMENT ON TALKS WITH MR. DRURY CONCERNING INTERVENTION WITH JUDGE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, although I accept the minister's view that he is responsible for his actions—

An hon. Member: Beware the Ides of March.

Mr. Broadbent: —may I ask the Prime Minister if he does not think that the kind of private conversation to which he referred before must be made public, if there is the possibility that one minister asked another minister to take inappropriate action vis-à-vis the judiciary. I ask this as it is on public record that a minister approached Mr. John Turner. Mr. Justice Mackay alleges that a minister then approached the Minister of Public Works, with no other intent, obviously, than that of influencing the judiciary. I ask the Prime Minister if he does not think that the Minister of Consumer and Corporate Affairs, who saw fit not to be in the House today, should make a statement on the matter.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I hope I misunderstood. I think the hon. gentleman, in asking the question, suggested that the Minister of Consumer and Corporate Affairs had approached the Minister of Public Works, with the intent that they should interfere with the judiciary. Surely, in the first place, that is against the rules, and the hon. member should withdraw.

Some hon. Members: Hear, hear!

Mr. Paproski: Whose rules, Pierre? Yours?

An hon. Member: Rules according to St. Pierre.

Mr. Trudeau: Mr. Speaker, some hon. members opposite seem to have some doubt about ascribing intent to the ministers.

Mr. Broadbent: Answer the question.

An hon. Member: The rules according to St. Pierre.

Some hon. Members: Oh, oh!

Mr. Trudeau: Don't get excited over there.

Mr. Broadbent: You are not answering.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, on matters of rules, hon. members can always appeal to you. I was going to say, so far as the question is concerned, that the reasoning of the hon. member would only be valid if there had either been some conspiracy or some illegality.

Mr. Stanfield: That was not the position on Friday.

Mr. Trudeau: It has been established, Mr. Speaker, that neither of these is the case.

Mr. Andre: Who established it first?

[*Editor's note: At this point there was an interruption from the gallery.*]

Mr. Trudeau: I wonder who that is.

Mr. Paproski: That is the voice of the people.

Mr. Trudeau: I suggest the gentleman in the gallery is a few weeks late for the Tory convention.

Some hon. Members: Oh, oh!

* * *

[*Translation*]

THE CANADIAN CONSTITUTION

INQUIRY WHETHER CONSTITUTION PATRIATED BEFORE AMENDMENT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, my question is directed to the right hon. Prime Minister. We are lucky to live in a democracy, which enables us to have

the parliamentary system we have here today, quite under the constitution.

Mr. Speaker, my question relates to the constitution. For the last three or four days, we have seen on television and heard over the radio the comments by provincial premiers who fear that the constitution which the Prime Minister is prepared to bring back to Canada will include amendments. I understand it is a matter of patriating the document to Canada and the Prime Minister as well as the Parliament of Canada, have no right to amend this constitution as long as both the provinces and the federal government will not agree. Therefore, to put it clear in the mind of Mr. Bourassa or Mr. Moores or anyone else in Canada, does the matter of bringing home the constitution include the matter of amendments or do we patriate the constitution with a view to amending it after discussions between the provinces and the federal government? I think that the Prime Minister owes it to the country and to himself to clarify the issue so that we stop fooling around with public opinion throughout Canada.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am glad that the hon. member gives me the opportunity to shed light for the benefit of the public. I suspect he has a clear mind on this matter, but he is right to say that the declaration I made eight days ago was quite distorted. In answer to the hon. member and this can be checked by any member or reporter by refering to the text, I never said that I would act unilaterally. I said I would consult the provinces . . .

Some hon. Members: Oh, oh!

Mr. Trudeau: So, hon. members are surprised. They just have to refer to the text rather than to newspapers. I very clearly indicated that I would continue to consult the provinces and that I hoped we would reach an agreement with all provinces and, if not, then the government should consider introducing a motion before both Houses so that Parliament could act without the provinces. It is important that this first point be understood.

As to the second point, once again, Mr. Speaker, I think someone is trying, for reasons I ignore, to distort my words. I never said that once the constitution is back home the federal government intended to act unilaterally to give itself more powers or take some away from the provinces. On the contrary, I said that we should first patriate the constitution and then, between Canadians, we should continue to discuss the issue of sharing powers rather than go on discussing like we have been doing for one hundred years, when we have not even have patriated the constitution. I hope my answer is clear. Perhaps the hon. member wishes to ask a supplementary question? I would be glad to answer.

● (1430)

Mr. Caouette (Témiscamingue): Mr. Speaker, I want to ask a supplementary question.

As I understand, instead of speaking of the patriation of the constitution to Canada as such, the provincial authorities of Quebec and other provinces speak of the amendments which the federal government would like to bring to it unilaterally. Now, people are left to believe, and even some newspapermen seem to be under that impression, that the right hon. Prime Minister wants to patriate the constitution and amend it unilaterally, while I understand that, first, if we patriate the constitution nothing will be changed and, second, if it is amended it will be amended once it has been brought back to Canada. So I would like to know if the Prime Minister fully agrees with this interpretation and if he can assure the House that there will be no constraint or abuse of power against any province once the constitution has been brought back to Canada.

[Mr. Caouette (Témiscamingue).]

Mr. Trudeau: Mr. Speaker, that is a position I explained very clearly to the premiers of all provinces, and which I also publicly stated. It is this: as the hon. member said, it is a question of bringing back the constitution without in any way giving more power to the federal government, nor less to the provinces.

The premiers know that because this was the subject of our meeting of last April. I will even go further, Mr. Speaker, if people wanted to understand, and say that in the present situation, legally—not on the basis of tradition, but legally—being the only one empowered to deal with Westminster, the federal government could change this separation of powers. It would not be wise nor politically profitable, it would not be in conformity with tradition, but it would be legally possible. If we do as I propose, this will no longer be legally possible.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

KNOWLEDGE OF MINISTER OF POSSIBLE INVESTIGATION BY QUEBEC BAR OF ALLEGED INTERFERENCE WITH JUDICIARY

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, my question is addressed to the Minister of Justice. In the midst of the strange controversy involving the executive branch of government and the judiciary of Quebec, and in view of the fact that one minister of the Crown finds it proper to resign whereas the Prime Minister finds it improper for him to do so, has the Minister of Justice noted the clear references by Chief Justice Deschênes to the rules and regulations of the bar act in Quebec, specifically sections 1 and 2, and regulations 29, 43 and 68; and will the minister advise parliament whether he has knowledge from his colleagues or other parties that the Quebec Bar Association intends to assume its full responsibilities in this matter by setting up a disciplinary committee to investigate the facts brought to light by the Superior Court of Quebec and affecting the judges' prerogatives and authorities?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, with regard to the latter part of the question I have no such knowledge, as I understand the question. With regard to the first part of the question, I would also draw the attention of the hon. member to page 3 of Judge Deschênes' letter, in which he quotes the Department of Justice Act, which provides:

The Minister of Justice shall . . .

(c) have the superintendence of all matters connected with the administration of justice in Canada, not within the jurisdiction of the governments of the provinces—

Of course, the provincial law societies acts and governing bodies are clearly within provincial jurisdiction.

KNOWLEDGE OF CONSUMER MINISTER OF POSSIBLE INVESTIGATION BY QUEBEC BAR OF ALLEGED INTERFERENCE WITH JUDICIARY

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs.

[*Translation*]

I am being asked to reply in French, and I shall answer in French or in English, whatever I choose.

Without referring in any way to the proceedings that are now sub judice, I would ask the Minister of Consumer and Corporate Affairs to tell the House or to advise Parliament whether, directly or indirectly, he has been made aware of steps taken by the Quebec Bar Association concerning the so-called Ouellet case. If so, and if he is aware that the Bar Association intends to assume its responsibilities, could he table any correspondence or documents that either he or his lawyers may have received to that effect?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I note that the hon. member does not know my title. I remind him that I am the Minister of Consumer and Corporate Affairs.

Secondly, in reply to his question, I simply want to answer no.

[*English*]

POSSIBILITY OF GUIDELINES FOR PROPER INTERVENTIONS WITH JUDICIARY

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I want to direct the attention of the House to the statement on ethics on Friday. My question is addressed to the Prime Minister. Now that the Minister of Justice has been set up as a sort of clearing house for ethical standards for ministerial interventions with the courts—having just read the statement and listened to the Prime Minister I can draw no other conclusion—does the right hon. gentleman intend to make public some sort of set of guidelines so that we will all know what standards are established for proper and correct interventions that the Minister of Justice is to monitor?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the suggestion is that the Minister of Justice would monitor. Surely that is a misstatement, a misreading of what I said on Friday. What I indicated quite clearly in *Hansard* was that the communications would be through the Minister of Justice or through his officials. That is a different thing entirely.

Mr. Fairweather: A supplementary question, Mr. Speaker. The embattled Mr. Justice Mackay stated in his letter that he believes the publicity will at least assure that never again will a member of the executive branch of the government communicate with a judge about a case which he is trying. Apparently the judge was optimistic.

Mr. Trudeau: Did you say optimistic?

Mr. Fairweather: Optimistic. That is a word that apparently is not much used these days. I want to know whether some time we will have an indication of what the Minister of Justice's role will be in—I do not know what word to use. Each word we use is apparently being shot down by the Prime Minister. How will anyone know what interventions can occur if ethical and proper standards are not established?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, there are clear ethical standards which apply to me and members of my department, and it is those that will apply.

INQUIRY WHETHER MR. DRURY ACTED ON OWN INITIATIVE IN CALLING JUDGE HUGESSEN

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I should like to follow up the questioning of the hon. member for Oshawa-Whitby, and my question is directed to the right hon. Prime Minister. The Minister of Public Works—I assume today he is still Minister of Public Works—has just stated again that he takes full responsibility for his action of making representations to Justice Hugessen, but again he refused to say on whose initiative he acted. The Prime Minister implied on Friday afternoon that the conversations by the Minister of Public Works were in the nature of "seeking counsel and advice". Was the Prime Minister personally given that assurance by Mr. Turner and by the Minister of Public Works and the Minister of Consumer and Corporate Affairs. In other words, is it the position of the Prime Minister that the minister acted strictly on his own initiative.

● (1440)

Right Hon. P. E. Trudeau (Prime Minister): Yes, it is, Mr. Speaker. I cannot, of course, speak for the other ministers or for Mr. Turner, but I can speak for the Minister of Consumer and Corporate Affairs in relation to myself and what he said about other ministers. I do know that the Minister of Consumer and Corporate Affairs came to me and said: "Well, you know, what should I be doing; I have this case against me; here is my defence and what do you think?" I am revealing these conversations, perhaps improperly, but I want to indicate, Mr. Speaker, that I have discussed this matter with the Minister of Consumer and Corporate Affairs and there has been no illegality or appearance of illegality between us.

If hon. members want to make any such allegations concerning the Minister of Consumer and Corporate Affairs' conversations with me or with any other minister that, of course, is their right under the rules of this House. The procedure has been established for them to make this allegation and to defend it.

Mr. Clark: Give us the facts.

Mr. Lawrence: Mr. Speaker, I am indebted to the Prime Minister for indicating at least some of the content of the conversation between one of his ministers and himself, but my question was directed to the conversation between the Minister of Public Works and himself. I am asking him again now, is it his understanding that the Minister of Public Works indicated to the Prime Minister that the Minister of Public Works, in making the improper

approach he did to Mr. Justice Hugessen, did so on his own initiative.

Mr. Trudeau: Mr. Speaker, I have not only the word of the Minister of Consumer and Corporate Affairs but also the public statement of the Minister of Public Works that he did this, was not pushed to do it by anyone and that he took full responsibility.

REFUSAL OF CONSUMER MINISTER TO ANSWER CONCERNING ALLEGATIONS OF INTERFERENCE WITH JUDICIARY—OPINION OF PARLIAMENTARY COUNSEL

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Minister of Consumer and Corporate Affairs. I want to say to him by way of preface that he has refused repeatedly to disclose the nature of his conversation with Mr. Turner and the Minister of Public Works, and indeed has refused to say whether he was aware that the Minister of Public Works was making a representation on his behalf. I should like to ask him whether he has sought the view of the parliamentary counsel in respect of his claim that these matters are properly sub judice to the pending appeal in the contempt case so that we will know whether there is any solid basis of parliamentary practice or law for refusing to answer the questions put to him in this House.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): My answer is no.

[*English*]

REFUSAL OF CONSUMER MINISTER TO ANSWER BASED ON PRINCIPLE OF "SUB JUDICE"—POSSIBILITY JUSTICE MINISTER WILL SEEK LEGAL OPINION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to direct a supplementary to the Minister of Justice, because this is an important matter we are discussing. Will the Minister of Justice consult the parliamentary counsel and make his advice available to this House so that we will know whether the Minister of Consumer and Corporate Affairs is resting his case on a fraudulent claim of privilege.

Hon. Ron Basford (Minister of Justice): Well, Mr. Speaker, I think the parliamentary counsel is the adviser to the House on matters of the rules and not the Minister of Justice who, throughout the years, has assiduously avoided being a legal adviser to parliament.

* * *

NATIONAL ENERGY BOARD

MEASURES TO ASSURE CONTINUATION OF MACKENZIE VALLEY PIPELINE HEARINGS IN VIEW OF COURT DECISION ON MR. CROWE

Mr. Alan Martin (Scarborough West): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the recent Supreme Court decision in the Marshall Crowe matter and its relationship to the Mackenzie Valley pipeline hearings before the National Energy Board, will the minister indicate what measures the government is now taking in order to ensure that these hearings may proceed without further delay.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the National Energy Board have had, I think, two meetings and are meeting right now considering this important question of how the panel should be struck so that the hearing can proceed. I think that by the end of the day or very shortly we will have an answer to the question asked by the hon. member.

COMMUNICATIONS BETWEEN MINISTER AND BOARD

Mr. G. W. Baldwin (Peace River): I have a supplementary, Mr. Speaker. Would the minister say whether he has had any telephone conversations or communications with the National Energy Board during the last two months.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Yes, Mr. Speaker.

* * *

ADMINISTRATION OF JUSTICE

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—RESIGNATION OF MR. DRURY—INSISTENCE ON ACCEPTANCE BY PRIME MINISTER

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Public Works who I know has been undergoing some soul-searching. Outside the House on Thursday, March 11, the Minister of Public Works denied reports that he had tendered his resignation by stating: "I have not resigned; I have not offered to resign—don't offer to resign". This would seem to imply that on Thursday at any rate the minister regarded the tendering of the resignation to be tantamount to a resignation itself. My question to the Minister of Public Works is: would he tell the House the reason for his apparent change of heart in this regard in a period of less than 12 hours. Is the minister now stating that his resignation was without foundation and without basis in fact?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I appreciate the interest of the hon. gentleman in a human interest story. I think it should be apparent to him that the basis on which I declined to answer the question in the House regarding what had happened was that until the Chief Justice had expressed his view, his judgment, it would be inappropriate either to make any comment or indeed to take any decision. It was only on receipt of the copy that was furnished to me of the opinion of the Chief Justice that I was able to come to a conclusion.

Mr. Alexander: Mr. Speaker, I find that answer of the Minister of Public Works most strange. The Minister of Public Works has ample opportunity to search his soul, to look into the matter, after which he took a very curious step. He submitted his resignation. Now, I want to ask the minister this: After considering the entire matter at this particular point, knowing that it was serious, does the

minister still feel he was right in submitting his resignation on Friday?

Mr. Drury: Mr. Speaker, I am sure the House is grateful for this theosophical ramble. Yes. I thought then I was right. I still think I was right.

Some hon. Members: Resign.

Mr. Alexander: Mr. Speaker, I want to thank the minister for that answer. Will the minister now, because he has stated he was right in submitting his resignation, resubmit the same to the Prime Minister—

Some hon. Members: No, no.

Mr. Alexander: —and insist that the Prime Minister accept his resignation.

Mr. Drury: Mr. Speaker, from a member of a democratic parliament, I find this doctrine passing strange.

Mr. Baker (Grenville-Carleton): Who is being philosophical now?

Mr. Drury: The hon. gentleman is suggesting I make up my mind on what is right and insist on everyone else following it.

Mr. Paproski: No; just the Prime Minister.

Mr. Drury: In tendering my resignation, in effect, I was putting myself to the judgment of my peers. I was not making the judgment unilaterally, as the hon. gentleman is inviting me to do. I put myself before the judgment of my peers, and if I do this I am required to accept that judgment, not, as the hon. member suggests, make a shambles of parliamentary democracy.

● (1450)

Some hon. Members: Hear, hear!

SUGGESTION BY JUDGE HUGESSEN OF POSSIBLE CONFRONTATION BETWEEN GOVERNMENT AND JUDICIARY—GOVERNMENT POSITION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I wish to direct a question to the Minister of Public Works who may have brought in a new parliamentary concept, namely, a conditional resignation with an option of non-acceptance.

Some hon. Members: Hear, hear!

Mr. MacKay: In that section of the letter of the chief justice dealing specifically with the attempt to effect a solution undertaken by the Minister of Public Works, Justice Hugessen states that the minister was attempting, if possible, to head off a confrontation between the executive and the judicial branches of government. Can the minister indicate to the House precisely what Judge Hugessen meant by this statement, and can he say whether the Minister of Public Works or the Prime Minister did in fact anticipate a confrontation between the cabinet and the judiciary over the contempt proceedings launched against the Minister of Consumer and Corporate Affairs?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, quite clearly it would be inappropriate for me to try to tell the hon. member what Judge Hugessen meant in writing the letter to the chief justice. I think the hon. member would agree that the words speak for themselves. I think he has as much intelligence as I have to read English.

Some hon. Members: Oh, oh!

An hon. Member: Much more.

Mr. Drury: Perhaps he has more. I am not sure that I would accept that definition in respect of some other people.

Mr. Clark: Call them, Bud.

Mr. Drury: I am sorry; I have forgotten the second part of the question.

Mr. Clark: You have forgotten a great deal.

Mr. MacKay: I appreciate the answers of the minister. Perhaps I could ask my supplementary of the Prime Minister. Was there or is there any substance to the proposition that the Prime Minister had suggested to him that a confrontation loomed between the executive and judicial branches of government over the case of the Minister of Consumer and Corporate Affairs because, if so, this is a very serious matter indeed?

Right Hon. P. E. Trudeau (Prime Minister): Certainly I never discussed anything of that nature with the Minister of Public Works or, to my recollection, with any other minister. But I would not hesitate to say that I was concerned with that possibility and I take it that hon. members are concerned with that possibility too, except obviously the leader of the NDP. That is the very fear that surely every member must have when there is a question of the executive and judicial powers relating to each other. Surely, that is the basis of the fear which underlies this whole attitude of the opposition. So, I should not be surprised if that had crossed the mind of the judges or of any other ministers or even of hon. members opposite. It certainly crossed my mind.

POSITION OF PRIME MINISTER ON APPROACHING A JUDGE ON A CONSTITUENCY MATTER

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I should like to direct my question as well to the Prime Minister. On Friday, the President of the Treasury Board indicated that he approached Judge Aronovitch "on behalf of the unemployment of my constituency" which the judge considered to be "not proper practice". Is it the policy of the Prime Minister that approaching a judge on a constituency matter is considered one of those warranted attempts to interfere with the proper administration of justice?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe I dealt with that question in my statement on Friday, March 12. If the hon. member reads the words on page 11771 of *Hansard* he would see I said:

Indeed, it is clear that the rules on contact with judges vary somewhat not only in what they say, but in how they are customarily applied in the various jurisdictions of this country. Some hon. members of this House may even have different views as to what their duties to their constituents require them to do from time to time in getting in touch with judges.

I leave that to the hon. members to decide for themselves. In so far as ministers are concerned, I go on in the next paragraph to indicate what the rule is. Therefore, I have settled it for the ministers. Perhaps the hon. members opposite and other members of the House might want to address this question in the future: what is their duty to their constituents as an ombudsman if the case drags on? Are they or are they not entitled to find out, when a case drags on—

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, I am not giving the answer to that but hon. members opposite have to read Judge Aronovitch to know that this practice, although he does not condone it, is one which has taken place in rare cases.

Some hon. Members: Oh, oh!

Mr. Trudeau: The hon. member has stated his code of ethics for himself, and that is fine. I stated it for the cabinet. I would not want to impose any particular code on parliament. I hope that parliament will make that decision for itself.

Mr. Hnatyshyn: Mr. Speaker, I would like to address a supplementary question to the Prime Minister and hopefully get an answer this time. The minister stated on Friday that he would reconsider any future attempts to influence the judiciary and he stated "of course I would not call Aronovitch. He does not like it". The question I want to ask the Prime Minister is whether he can assure the House that members of his cabinet will refrain in future from approaching members of the judiciary on matters before the court, whether they like it or not?

Mr. Trudeau: Mr. Speaker, I expect this is a rhetorical question. If the hon. member looks at the code of conduct I spelled out on Friday he would obviously have the answer.

INQUIRY WHETHER CONSUMER MINISTER SPOKE TO MR. DRURY CONCERNING POSSIBLE INTERVENTION WITH JUDGE

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, without accepting for a minute the premise enunciated by the Minister of Consumer and Corporate Affairs that he has privilege to hide behind in that some matter is sub judice but recognizing the minister's lack of candour and desire for self-protection, I should like to ask a question, which is not in any way to be considered sub judice in that it is not part of any of the facts in the case dealing with the Minister of Consumer and Corporate Affairs now on appeal nor would affect the interpretation of the law in relation to the case—

Some hon. Members: Question.

Mr. Dick: —did the Minister of Consumer and Corporate Affairs talk to the Minister of Public Works regarding his case of alleged contempt of court prior to the trial of that case and prior to the phone call of the Minister of Public Works to the associate chief justice?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have nothing to add to what I have already said last week.

INQUIRY WHETHER CITIZEN CAN EXPRESS DISAPPROVAL OF JUDGMENT

Mr. C.-A. Gauthier (Roberval): In compliance with the ethical standards outlined by the Prime Minister, I would like to direct a question to the Minister of Justice.

After all that has happened to the Minister of Consumer and Corporate Affairs, could the Minister of Justice tell the House whether the average Canadian citizen will be allowed, in the future, to express publicly his disagreement with the decision made by a judge, without being charged with contempt of court or risking imprisonment?

[*English*]

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I think that is quite an improper question. It obviously invites me to comment directly on a judicial decision.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—VIEW OF MR. LALONDE ON STATEMENT HE SOUGHT DELAY OF JURY DECISION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the statements contained in the report of Chief Justice Deschênes quoting Mr. Justice Mackay to the effect that in the half hour visit which the minister had with Mr. Justice Mackay on Sunday, March 8, 1970, he said he was there to seek a delay in the jury's decision, would the minister now like to correct the statements he has made to this House to the effect that all he was doing was asking a question as to when the decision would be made?

Hon. Marc Lalonde (Minister of National Health and Welfare): Certainly not, Mr. Speaker.

POSSIBILITY OF ACTION BY PRIME MINISTER OF DIFFERENCE BETWEEN STATEMENTS BY MR. LALONDE AND JUDGE MACKAY

● (1500)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my supplementary question is for the Prime Minister. In view of the fact that the Prime Minister said today that Chief Justice Deschênes was telling the truth, and that he has said one thing and the Minister of National Health and Welfare has said another about the visit on Sunday, March 8, 1970, and since obviously one of these distinguished gentlemen is not telling the truth, should the Prime Minister not take his responsibility in this matter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe the hon. member made an error when speaking

of Chief Justice Deschênes. He was problably talking about Justice Mackay.

Mr. Knowles (Winnipeg North Centre): As quoted by the Chief Justice.

Mr. Trudeau: Well, yes, the hon. member is right. As between Mr. Justice Mackay's version and the version of the Minister of National Health and Welfare there is a difference, shall we say, of memory of the facts.

Some hon. Members: Oh, oh!

Mr. Trudeau: I find myself in a difficult position to see how this House or I can ascertain which of the two is right in his memory.

Mr. Broadbent: A public inquiry would help.

Mr. Marchand (Langelier): That wouldn't change anything.

Mr. Trudeau: A public inquiry would have to weigh the memory of these two men.

Some hon. Members: Oh, oh!

Mr. Clark: Cross-Examine the minister.

Mr. Trudeau: Let me just say that Mr. Justice Mackay's memory has proved faulty in at least two instances.

Some hon. Members: Oh, oh!

An hon. Member: Say that again, will you?

Mr. Knowles (Winnipeg North Centre): And say it outside the house.

Mr. Stanfield: The minister's judgment has proved wrong a number of times.

Mr. Trudeau: I will say it again, if the hon. member would like me to. Mr. Justice Mackay's memory has proved faulty on at least two facts. The first time was in his original letter when he said that the events took place in 1969, whereas in his later letter to Chief Justice Deschênes, he corrects that and says 1970. His memory slipped. It is not a serious matter.

An hon. Member: You didn't know how old you were.

Mr. Trudeau: As a matter of fact, there is another fact on which his memory obviously slipped. He said that my then principal secretary said I was skiing in the west, but it is established I was at that time doing an official tour up in Igloolik, and it is not possible—

An hon. Member: That's the same thing.

Mr. Trudeau: So obviously five, six or seven years later memories can be inaccurate, and in this case the judge was inaccurate in at least two instances.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Clark: Then let us cross-examine the minister.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

MOTION TO ADJOURN

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, until the government comes to its senses, I see no reason for this House sitting. I therefore move, seconded by the hon. member for Greenwood (Mr. Brewin):

That the House do now adjourn.

Mr. Speaker: Order, please. By virtue of the Standing Orders, a motion to adjourn is always in order and is not debatable. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen.

Mr. Speaker: Call in the members.

The House divided on the motion (Mr. Knowles (Winnipeg North Centre)) which was negatived on the following division.

(*Division No. 117*)

YEAS

Messrs.

Alexander
Alkenbrack
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Balfour
Benjamin
Brewin
Broadbent
Clark (Rocky Mountain)
Coates
Crouse
Ellis
Epp
Fairweather
Firth
Friesen
Gilbert
Grafftey
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hnatyshyn
Hogan
Huntington
Jarvis
Jelinek
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lavoie
Lawrence
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacLean
Marshall
McCain
McGrath
McKinnon
Mitges
Munro (Esquimalt-Saanich)
Murta
Nystrom
O'Sullivan
Paproski
Patterson
Peters
Ritchie
Rynard
Scott
Stanfield
Stevens
Wagner
Wenman
Woolliams
Yewchuk—56

NAYS
Messrs.

Abbott	Dupras	Marchand (Kamloops-Cariboo)
Allard	Faulkner	Martin
Allmand	Fleming	Matte
Anderson	Flynn	McIsaac
Andras (Port Arthur)	Francis	McRae
Andres (Lincoln)	Gauthier (Roberval)	Milne
Baker (Gander-Twillingate)	Gauthier (Ottawa-Vanier)	Munro (Hamilton East)
Basford	Gendron	O'Connell
Beaudoin	Gillespie	Ouellet
Béchard	Goodale	Parent
Bégin (Miss)	Goyer	Penner
Blais	Gray	Portelance
Blaker	Guay (St. Boniface)	Poulin
Boulanger	Harquail	Railton
Breau	Herbert	Raines
Buchanan	Hopkins	Reid
Caccia	Isabelle	Richardson
Cafik	Jamieson	Rooney
Campagnolo (Mrs.)	Kaplan	Roy (Timmins)
Caouette (Témiscamingue)	Lachance	Roy (Laval)
Clermont	Lajoie	Sauvé (Mrs.)
Comtois	Lalonde	Sharp
Condon	Lang	Smith (Saint-Jean)
Cyr	Langlois	Stollery
Danson	Laniel	Tessier
De Bané	Lapointe	Trudeau
Demers	Leblanc (Laurier)	Trudel
Dionne (Northumberland-Miramichi)	Lessard	Turner
Douglas (Bruce-Grey)	Lumley	Watson
Drury	Macdonald (Rosedale)	Whelan
Duclos	MacEachen	Yanakis
	Marchand (Langelier)	Young—95

● (1620)

Mr. Speaker: I declare the motion lost.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,966 and 4,076.

[*Text*]

DREE—ALLOTMENTS 1975

Question No. 3,966—**Mr. McKinnon:**

By province, how much money was allotted by DREE, either on a loan or grant basis, for all projects in 1975?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: By province, contribution and loan expenditures for the fiscal year ended March 31, 1975 for the Department of Regional Economic Expansion are:

Expenditures 1974-75	Contributions	Loans
Newfoundland	$55,925,525	$11,781,117
Nova Scotia	29,205,264	10,471,733
New Brunswick	51,345,654	11,279,816
Prince Edward Island	19,152,309	3,325,000
Other Atlantic Region activities	4,405,147	—
Quebec	103,348,702	15,739,211
Ontario	17,583,078	—
Manitoba	21,034,250	1,580,548
Saskatchewan	7,535,006	1,689,603
Alberta	8,442,655	1,105,668
British Columbia	5,463,845	—

GRANTS TO ST-FÉLICIEN ZOOLOGICAL GARDEN

Question No. 4,076—**Mr. Gauthier (Roberval):**

Were grants given to the St-Félicien Zoological Garden since the adoption of the Agricultural Rehabilitation and Development Act and, if so, in what amount up to and including 1974?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Expansion is as follows: Yes, at 31/12/74, $1,123,655 had been committed to the development of the St-Félicien Zoological Garden under the terms and provisions of the Agricultural and Rural Development Act, DREE's share being $561,878.

[*English*]

Mr. Blais: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

HOUSE OF COMMONS

REFUSAL OF PRIME MINISTER TO ACCEPT RESIGNATION OF MINISTER OF PUBLIC WORKS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I served you with the appropriate notice under the Standing Orders of the House of my intention to move today for the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration by the House, namely, the Prime Minister's refusal to accept the resignation which was of necessity submitted to him on Friday, thereby rejecting parliamentary principles which are the basis of the moral authority of this House. If there was ever an indication of the necessity of that, it is that which occurred today—

Some hon. Members: Order!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The provisions of Standing Order 26 are well known to hon. members. I have indeed received the notice referred to by the hon. member for Grenville-Carleton (Mr. Baker). There will be no attempt to get into any complicated analysis of the subject matter or its reference to the Standing Orders. The fact is that one of the best known provisions of Standing Order 26 is that which relates to the considerations that should be in the mind of the Chair in taking into account whether or not such matter is proper to be discussed within the terms of the rules. I am referring of course, to section (5) of the rule which indicates that Mr. Speaker will have regard to the

reasonable opportunity of the House to discuss the matter put forward in the motion in some other way. In that regard, of course, tomorrow and Friday have already been designated as allotted days in which the opposition will control the subject matter of debate.

I think it would fly directly in the face of the provisions and the intent of such a rule if I were to hold this afternoon that the House would not enjoy a reasonable opportunity to discuss this matter when, in fact, tomorrow is a very excellent and forthcoming opportunity. I therefore would have to consider that at this moment at least the subject matter put forward in the notice of motion by the hon. member for Grenville-Carleton is not a proper matter to be discussed within the provisions of Standing Order 26.

Orders of the day.

GOVERNMENT ORDERS

[*English*]

MEDICAL CARE ACT

AMENDMENT TO LIMIT ANNUAL INCREASE IN PER CAPITA COST OF INSURED SERVICES UNDER MEDICAL CARE PLANS

The House resumed, from Wednesday, March 3, consideration of the motion of Mr. Lalonde that Bill C-68, to amend the Medical Care Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Herb Breau (Gloucester): Mr. Speaker, in rising to speak in this debate I should like to say, first of all, that I regret the hon. member for Winnipeg North Centre (Mr. Knowles) would want to delay my speaking in the debate.

Some hon. Members: Hear, hear!

Mr. Breau: I regret they would want to frustrate the proceedings of this House to the point of stopping us from speaking in the debate.

Mr. Alkenbrack: Call up the judge.

Some hon. Members: Oh, oh!

Mr. Breau: I hear my friend from St. John's East (Mr. McGrath) asking about closure. This is not closure, because I am still speaking in the debate. The hon. member obviously does not know the difference between Standing Order 33 and Standing Order 75C. I would encourage him to read the rules; they are very interesting. The fact of the matter is that we are not applying closure in this debate. We are proceeding with allocation of time because the opposition has been irresponsible.

An hon. Member: Nonsense!

Some hon. Members: Hear, hear!

An hon. Member: Withdraw!

Mr. Breau: They have distorted the debate. I am happy that the hon. member for St. John's East is interested in my speech. I was interested in his speech on March 3, and I will refer to it later. It was clear that either he had not read the bill or had not read the Medical Care Act, because I have some quotes from his speech and they have absolutely nothing to do with this debate, nothing to do with Bill C-68. The point I want to make is that members opposite have frustrated the proceedings of this House for many days to try to bring before the public—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Breau: I congratulate them for the frustrations they have brought to the proceedings.

An hon. Member: What happened to your majority?

Mr. Breau: To that effect they have been successful, but they have distorted the debate. Most of their arguments have nothing to do with the Medical Care Act, they have nothing to do with the capping of expenditures of the federal government under the Medical Care Act, and most of their arguments have nothing to do even with the federal government in the area of hospital insurance. I wonder if many of them have read this bill and have taken the time to read the Medical Care Act.

An hon. Member: Have you read it?

Mr. Breau: Yes, I read it with particular interest. It is evident, if one examines interventions to federal bills, that most of the time they are the sorts of distortions one hears from hon. members opposite.

• (1630)

The President of the Privy Council (Mr. Sharp) moved the time allocation motion under Standing Order 75C. He did this because he feels that after parliament has had ample time to study and debate proposed government legislation, at a certain point it is in the public interest to allocate time to vote on the bill and allow parliament to consider something else. The majority in this House should be allowed to vote on the bill and dispose of it.

[*Translation*]

Mr. Lachance: Mr. Speaker, I rise on a point of order. The hon. member for Winnipeg North Centre (Mr. Knowles) walked between the Chair and the member who now has the floor.

I would like to read Standing Order 12(3):

(3) When a Member is speaking, no Member shall pass between him and the Chair, nor interrupt him, except to raise a point of order.

[*English*]

Mr. Breau: Mr. Speaker, I have been speaking to the bill for the last few minutes.

Mr. Peters: Say something.

Mr. Breau: Members of Her Majesty's Loyal Opposition are particularly concerned about the effects of this bill on the have-not provinces. They are worried about its so-called terrible effect on New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. I suggest that hon. members voicing such concerns either have not read

the Medical Care Act and Bill C-68 or, if they have, they did not understand what they read. I should be happy to explain what this bill is all about.

Mr. Fairweather: Grand Falls hospital.

Mr. Breau: I missed the relevance of the point raised by the hon. member for Fundy-Royal (Mr. Fairweather).

Mr. McGrath: Tell that to the north shore of New Brunswick.

Mr. Breau: They have supported me up to now. If you want an excellent example of distorsion, read what the hon. member for St. John's East is reported to have said on page 11468 of *Hansard*. I heard what he said and read his speech in *Hansard* the next day. I cannot accept his statement. I do not accept that the hon. member for St. John's East would tell the House something that is not exactly factual. I read what he was reported to have said. I hope he made a mistake and that he will correct it. I will gladly give him that opportunity now. According to *Hansard*, page 11468, he said:

> Perhaps one could argue that the best ceiling that could be imposed upon the lower income provinces is their own capacity to meet their 50 per cent share of the cost.

He spoke about provinces sharing 50 per cent of the costs. In the next breath he mentioned lower income provinces. Let me point out that no low income province pays 50 per cent of the cost of the medicare program. The federal government pays 50 per cent of the average, national cost of medicare. I hope the hon. member slipped and did not intend to leave the impression that low income provinces pay 50 per cent of their own costs. He went on to say:

> No one knows better than the minister of finance of the province of Newfoundland, who has to bring in a budget within a few days, that he must place restrictions on medical care payments in Newfoundland in order to keep our own health care cost under the 50-50 agreement within line. I think that fact has been lost sight of.

I hope the hon. member for St. John's East will admit he made a mistake. Or perhaps this was a typing error or a slip. Newfoundland does not pay 50 per cent of medicare costs. The provinces of Newfoundland, Nova Scotia, New Brunswick and Prince Edward Island do not pay 50 per cent of their medical care costs. Their payments are based on the formula adopted by parliament when it passed the original bill in 1966 or 1967. I repeat, the federal government pays 50 per cent of the average, national cost of medicare. In the case of Newfoundland, the government pays 74 per cent of the cost, not 50 per cent. I hope that the hon. member for St. John's East, who is a respected parliamentarian, will agree that he made an unfortunate misstatement.

I think all hon. members ought to read Bill C-68 carefully.

Mr. Alexander: You are right.

Mr. Breau: I am glad to hear the hon. member for Hamilton West (Mr. Alexander) confirming my view. I say this because it is not apparent that those who have spoken in the debate so far read the bill. Their speeches do not make sense. Or if they read it, they cannot understand either the English or French versions. Clearly, the proposed cap of 13 per cent is not rigid. There will be increases

of 13 per cent, plus provisions to take care of population increases.

The hon. member for St. John's East is concerned about Newfoundland. He thinks the province's high birth rate merits special consideration. I am glad the Newfoundland birth rate is high. Provisions governing population increases will take care of the extra population. Bear in mind that although the hon. member for St. John's East is concerned about hospital costs, we are talking about doctors' fees. Does he think that doctors in Newfoundland do not earn enough? Does he think they should charge more? Well, Bill C-68 applies to doctors' fees; it does not apply to hospital insurance or hospital costs. So the opposition has debated this bill for 13 days on second reading because it thinks doctors are not making enough. It thinks doctors should get more than the 13 per cent increase proposed under this bill. The bill provides, as I say, for an increase of 13 per cent, plus an increase to take care of larger populations. I am not saying doctors should not get more. I think some sectors of society, doctors included, should be well paid. Doctors perform a valuable service, under tough conditions, particularly outside big cities.

Is the party opposite, which for years has chastised this government for spending too much on shared-cost programs and on institutional programs which the Liberal government first implemented in the 1960s, now suggesting that doctors should be paid more than 13 per cent extra in these times of restraint? I cannot take those members seriously. They are playing politics. Mind you, there is nothing wrong with playing politics. I enjoy it. If you want to play politics, do not stop the business of the country for 13 days while you play games. Go on a trip; come to my constituency and we will play political games. The previous Leader of the Opposition came to my home-town during the election campaign. I enjoyed his visit.

An hon. Member: You won't enjoy the next one.

Mr. Breau: The opposition is concerned that this bill does undue, harsh damage to the provinces. It says that doctor's fees should go up more than 13 per cent. It says that there should be no cap at all. That is the same party that has been telling us that medicare, the Canada Assistance Plan, higher education programs, and all the other shared programs have no built-in safeguards from the point of view of the federal taxpayer to control costs or spending. We are now asking the provinces to please keep their increase for doctors' fees to 13 per cent, plus the provision for any increase in population, and what does the opposition do: they filibuster the bill, saying that it is dangerous for the provinces.

● (1640)

The 13 per cent does not apply to every particular province. It is a capping of 13 per cent of the federal share of the national plan. If a province has controlled its costs, it might get more than 13 per cent. Other provinces might get less. The cost of the medical care program has been increasing at a much more modest rate than that of hospital insurance. It is now beginning to feel the inflationary effect. For example, during the current fiscal year which ends this March 31 costs are expected to rise 16 per cent over the 1974-75 costs. While some controlling measures are

needed, the proposed ceilings are not out of line with actual experience in recent years. Nor should there be any unfavourable effect upon the quality of care provided or the level of coverage enjoyed by the people of Canada.

I read that the leader of the New Democratic Party made a big case out of the fact that some communities and some provinces want to encourage less expensive institutions and clinics. There should be no system to indirectly encourage communities and provinces to give expensive health and hospital care to those who are really in need of care in a community clinic. One thing that was done in the June 23, 1975, budget concurrent with this bill was to give notice to the provinces as provided by the Hospital Insurance and Diagnostic Services Act. Formal notice was given to the provinces that in 1980 we would review our agreements on hospital care. One reason we want to review it is—as suggested by the leader of the NDP—to provide less expensive institutions. If some system can be developed that will be less expensive than a conventional hospital bed, it should be included in the agreement.

No one has suggested that we want to reduce the federal expenditure for health care. Again, the leader of the New Democratic Party, like other members of the opposition—

Mr. Kempling: Give him an aspirin.

Mr. Breau: I don't take aspirin. The hon. member for Halton-Wentworth (Mr. Kempling) might be interested to know that according to the latest statistics, people from the maritimes take less aspirin than those from Ontario. The reason is probably because we have less pressure and need less attention than more sensitive people like the hon. member for Halton-Wentworth.

Mr. Douglas (Bruce-Grey): They don't have to suffer the pressures of a Conservative government.

Mr. Breau: I say to my friend, the hon. member for Bruce-Grey (Mr. Douglas), that we do suffer from the pressures of a provincial Conservative government. When the Conservative administrations in New Brunswick, Newfoundland and Ontario, who have friends here—and there is nothing wrong with that—have to make tough decisions or readjust their spending by, for example, reducing hospital beds or hospital services in some communities, I sometimes support them: I say it has to be done. However, the federal Conservatives try to drag in the federal government so that it will not appear as though this is being done by the provincial Conservative government but the federal anti-inflation program. The hon. member for Kingston and the Islands (Miss MacDonald), who has proven that she is a very shrewd politician, smiles at what I say.

Some hon. Members: Hear, hear!

Mr. Breau: The record cannot show that she was smiling unless I mention it. That is why I do so. She knows that is the way politicians operate, especially in the maritimes. When her friend who supported her at the convention hears people condemning the federal government for cuts in health and hospital care, he does not say he was responsible for that. He hears his friends in the federal parliament give us hell for Bill C-68, which has nothing to do with hospital cuts, so that it will be reported as coming from us and people will become confused. The people will begin to believe that it is not Hatfield who is responsible, but the federal government. When I am approached by my constituents, I do not say that the hospital cuts in New Brunswick are not needed. I say that they are needed and that Mr. Hatfield is doing something that is his responsibility. I would not lie to my constituents.

Bill C-68 does not have anything to do with cutbacks in hospital care. The reason for this filibuster is that the Conservatives wanted to drag us into their petty political games. If they want to play political games, let us play them some place where we will not frustrate the workings and proceedings of the Parliament of Canada.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Gloucester (Mr. Breau) has the floor.

Mr. Breau: I say that the opposition are pretty inefficient and ineffective when they cannot put their point across after 13 days of debate. With their research, their new leader and their shadow cabinet, they should be able to do that in one, two or three days. After that, the bill should be sent to committee for study. The bill is only 1½ or 2½ pages. Those who have not yet done so can read it in committee. If they do not understand it, we can go there to explain what the bill means.

The annual federal contribution to each participating province equals 50 per cent of the per capita cost for the year of all insured services of the national program which are furnished pursuant to the medical care insurance plans of the participating provinces, multiplied by the number of insured persons in the province. The per capita cost for a year of all insured services of the national program is an amount equal to the aggregate of the cost of the insured services of the national program which are incurred by each of the participating provinces, divided by the number of insured persons in each of the participating provinces. I do not expect members of the opposition to understand that too quickly, so I suggest that they read *Hansard* tomorrow.

Some fears have been expressed that the capping of federal contributions will have a relatively greater adverse effect on some provinces. The hon. member for St. John's East and others have suggested that would be the Atlantic provinces. This is not so during the period covered by the definitive ceilings. The capping applies to the national average per capita cost and not to the cost of individual provincial plans. The present characteristics of the Medical Care Act remain; contributions will continue to take into account the varying annual rates of population growth between provinces. The implicit equalization of the national average contribution will continue. The incentive to control costs in each province in order to increase relative federal contributions will remain. The resulting variable rates of the federal share of provincial medical care costs will also remain.

● (1650)

It is particularly Ontario and British Columbia which have experienced the highest costs in medicare. Provinces like the Atlantic provinces have not been the highest, and that is the reason: by paying 50 per cent, the federal government pays 50 per cent of the average national cost, so it happens in the case of Newfoundland we get 74 per cent and in the case of British Columbia only 45 per cent—less than 50 per cent. As a matter of interest, Nova Scotia gets 56 per cent, New Brunswick 74 per cent and Prince Edward Island 67 per cent. In 1976-77, the proposed ceiling will raise the per capita contribution by 13 per cent, from $37 to approximately $47. It should be clear to everyone that there is an incentive for lower income provinces such as Newfoundland, Prince Edward Island and New Brunswick, to control their costs because if they do so, historically we see that costs in Ontario and British Columbia will go higher. If they control their costs they will get even more than 74 per cent.

Mr. McGrath: The hon. member has kindly agreed to permit a question. Since he is citing the provinces to support his argument, can he explain to the House how he can reconcile his speech and his argument with the statement of the government of Prince Edward Island, which is a Liberal government, that under the new proposal "it will be difficult to maintain present standards of health care, with no hope of ever attaining the national standard"?

Mr. Breau: I agree with what the hon. member has read as being the position of the government of Prince Edward Island. It will be difficult. I am not suggesting it is not going to be difficult for anyone. It will be difficult, but it will be possible. It is members of the Conservative party who have been telling us for years that under the shared-cost program affecting medicare we should control costs. There was a galloping increase in costs. The hon. member will have to reconcile that position with his position that it is going to be difficult in P.E.I. I suggest that in Prince Edward Island, as in New Brunswick, as in Nova Scotia, it will be difficult to increase the health care standard to the national standard.

Even if you gave $1 billion to New Brunswick today, or $100 million to New Brunswick, to improve health care, I suggest that the problem of health care, or medical care particularly, is not a financial one. The problem is that any new doctor who is originally from New Brunswick or who comes from outside and wants to live in New Brunswick would prefer to live in the cities. I believe that in certain cities in New Brunswick there is an overabundance of doctors, but in the rural areas there are none. In my area, for example, there is a shortage of doctors. We have hospitals which are inefficiently used because there are no doctors. My answer to the hon. member for St. John's East is that I agree it is going to be difficult for the government of Prince Edward Island. The governments of the Atlantic provinces are in a difficult situation with this.

Mr. McGrath: That is what I have been saying.

Mr. Breau: Well, I have read what the hon. member said as reported at page 11468. He said it would not only be difficult but that it would have a disastrous effect and that Newfoundland would have to pay 50 per cent of the health service costs. I have just pointed out to him that he made an unfortunate error in fact.

Mr. McGrath: You are sounding more like the Prime Minister (Mr. Trudeau) every day.

Mr. Breau: That is a nice compliment.

Some hon. Members: Hear, hear!

Mr. Crouse: A double-standard guy. One standard for Grits and another for the rest of the country.

Mr. Breau: I am sorry. I did not catch the hon. member's last statement.

Mr. Crouse: I said you were a double-standard guy when you said you would like to be like the Prime Minister. We shall never accept that double standard on this side of the House.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order. The hon. member for South Shore (Mr. Crouse) may have a grievance, but he will have to wait for the hon. member to complete his remarks.

Mr. Breau: It is obvious that the hon. member for South Shore—

Mr. Crouse: South Shore. Get it right.

Mr. Breau: I said South Shore. I know it is South Shore. The hon. member either did not hear what I said or he did not understand it. I never uttered any kind of words such as he has attributed to me. I would like to review *Hansard* with him if he wishes. I would invite him to review it. I do not recall anything I have said, jokingly or otherwise, that would indicate the sort of thing he is accusing me of. I invite him to check the record. I think he misunderstood or misheard something from someone. I was making the point that for the lower income provinces there is an incentive to control costs, because the more they reduce their costs—

Mr. McGrath: —the more they reduce their services.

Mr. Breau: No. The hon. member for St. John's East is either making fun of a very serious situation, or he doesn't understand. They control their costs because the formula—which might be complicated, but I know the hon. member has sufficient intelligence to understand it—in the act provides for the federal government to pay 50 per cent of the national cost, and not 50 per cent of the cost to any particular province this means that if his province and my province control their costs and keep them that much below the national cost, their share of the federal participation will be even greater. Right now we are getting more than 50 per cent: his province gets 74 per cent and my province gets 74 per cent.

The federal government is expected next year to contribute $124 million more toward the cost of provincial medicare plans than is the case this year. In addition, we expect to be paying an additional $340 million or so toward the cost of the provincial hospital plans which, incidentally, includes the services of most of the radiologists and pathologists in the country.

It is difficult to understand how people can refer to increased federal contributions of this magnitude as being a cutback. Next year, under the ceilings, the resources available to the provinces will be 13 per cent larger, in per capita terms, so not only will there be a 13 per cent increase but the sharing formula will automatically make allowance for a population increase. I hope we have more babies in Newfoundland again next year, and if we do there is provision for them.

The funds will be distributed among the provinces in exactly the same way as in the past. Since provincial costs vary from year to year in relation to each other—they never have have the same relativity two years in a row—some provinces will have more than a 13 per cent increase, some less. Next year, the range of provincial recoveries under medicare will again be from a high of around 74 per cent in two provinces to a low of approximately 44 per cent in the highest cost province. Without ceilings, the cost recovery range would be about 1 per cent higher on both ends. I should like to emphasize again that the provinces which keep their costs below the national average—which includes the less affluent provinces—will continue to receive a larger proportionate share of the costs than other provinces which are less careful about their costs.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment tonight are as follows: the hon. member for Winnipeg South Centre (Mr. McKenzie)—Air Transport; the hon. member for Cape Breton-East Richmond (Mr. Hogan)—The Canadian economy; the hon. member for York-Simcoe (Mr. Stevens)—Finance.

● (1700)

Mr. Paproski: Mr. Speaker, may I bring to your attention that on March 11, 1976, as recorded at page 11737 of *Hansard*—this is the first opportunity I have had to raise this matter—there is a printer's error in the debate at that time. It refers to:

His monument lies also in the hearts of the various groups to whom he dedicated himself so undistinctly.

That last word should be "unstintingly". I wish that to be corrected, Mr. Speaker.

Mr. Deputy Speaker: It being five o'clock p.m, pursuant to the order made Friday February 27, 1976, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills.

Mr. Blais: On a point of order, Mr. Speaker, after consultation with the House leader of the other parties we have

agreed that the matter to be dealt with is at page 59 of the order paper, motion No. 1 standing in the name of the hon. member for Egmont (Mr. MacDonald).

Mr. Paproski: It is so agreed.

Mr. Deputy Speaker: Hon. members have heard the suggestion made by the hon. member. Is it agreed to proceed with the consideration of motion No. 1, appearing in the name of the hon. member for Egmont (Mr. MacDonald), and that all other notices of motions standing before this motion be stood at the request of the government?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS

[*English*]

EXTERNAL AFFAIRS

SUGGESTED ESTABLISHMENT OF WORLD COMMISSION ON FOOD AND RESOURCES

The House resumed, from Monday, October 21, 1974, consideration of the motion of the hon. member for Egmont (Mr. MacDonald):

That, in the opinion of this House, the government should take the lead in establishing a world commission on food and resources, under the auspices of the United nations, to compile a comprehensive and regular inventory of the existing world foodstuffs and resources essential for sustenance; each nation shall be required to report annually (with quarterly amendments) on the state of its own self-sufficiency and on its ability to transfer key foodstuffs and resources to more needy nations; the commission shall have the authority to transfer designated food and resources from member nations equal in amount to their expenditures on defence.

Mr. C. Douglas (Bruce-Grey): Mr. Speaker, I have a few comments to make on the motion. Most certainly it is a timely motion that the hon. member for Egmont (Mr. MacDonald) has put forward, but I think we must take a close look at it in order to ascertain exactly what is being asked, what is the cost of duplication of committees and services, and so on. The motion states that the government should take the lead in establishing a world commission on food and resources, under the auspices of the United Nations, to compile a comprehensive and regular inventory of the existing world foodstuffs and resources essential for sustenance.

What is being done in this regard at the present time? The world's shortage of food has attracted, over past months and years, the attention of many people. Many efforts have been made by other countries as well as Canada to try to solve the problem. In November, 1974, a world conference was held, with 1,000 representatives from 130 countries, determined at that time to find solutions to food shortages and the relatively slow pace of agricultural development to feed the four billion people who now exist in this world.

The courses of action proposed at that time to help increase food production include some of the following. First of all, it was proposed to make available large quanti-

ties of agricultural inputs such as fertilizers, water resources, high-quality seeds and improved management, all of which are essential to upgrading food production not only in Canada but everywhere throughout the world, more specifically in the underdeveloped countries. Also put forward was the idea of an expansion of research resources so as to evolve an appropriate technology in given conditions.

We must realize that those conditions vary greatly throughout the world. In Canada food production is limited to a very narrow belt across the country owing to extreme weather conditions in the north. On the other hand, the United States is a large country, able to produce vast quantities of foodstuffs primarily because of the favourable climatic conditions which they experience. The same is true of many other countries throughout the world.

The Soviet Union is faced with much the same problem as we in Canada. Their climate restricts the production of food to a very narrow growing belt across that large country. Food production is also limited in the underdeveloped countries in Africa, Asia and South America. There are so many conditions that must be taken into consideration in putting forth a program that will allow peoples of the world down through the years properly to feed themselves. Suggested, also, was a comprehensive rural development program that involves the people, particularly the small farmer and landless worker, as well as a major increase in the small amount of funds available for investment in agricultural development. This was urged at the conference for all countries of the world, not just Canada and the United States.

It will be noted that all the proposals dealt with increasing food production in developing countries as a means of solving the world food shortage. This, of course, is one of the features I would be glad to see put into the motion. The underdeveloped countries must be encouraged and given practical assistance and every other kind of assistance that we and other developed nations can give them so as to increase the ability of the developing nations and the underdeveloped nations to produce food.

In his November 11 speech to the eighteenth session of the FAO conference in November, 1975, the Minister of Agriculture (Mr. Whelan) had this to say:

> Over the next five years, the need for substantive increased food production in the developed countries will be of much greater importance for world food supplies than was thought at the beginning of the 1970s.

This was true then and it is true now. We refer these days to the oil powers of the world. In 1980 the power that will be of utmost importance to world development will not be oil power but agrapower. We have discussed in the House from time to time the importance of petropower and where petrodollars are spent, but we must also give clear and concise consideration to the agricultural producing nations of the world and the power they will have in their hands by 1980.

To solve the food problem, developing countries and the FAO must give high priority to agricultural and fisheries development and adopt policies which give adequate incentive to agricultural producers if real progress is to be made. We must also assure the agricultural producers not only of Canada but the United States, Russia and wherever they may be, adequate returns for the work they do in producing the world's food that will be required and which indeed is required at the present time. Today there are admitted problems with the production of powdered milk, and in the matter of food storage of items like powdered milk, butter and agricultural and dairy products we must remember it is the farmer who pays the shot. The farmer has to pay for storage so that this food is available in times of crisis and need.

A top priority in the interests of all countries is to ensure the vigour of the world's economy. This requires from our standpoint an efficient agriculture which produces enough food for all. This cannot be done without providing a reasonable livelihood to the farmers of the world who over the next 15 to 20 years will be performing a task of the utmost importance to the whole world. We know that without farmers, without the tools of production and necessary incentives, food production will fall short of our growing needs.

Canada maintains that it is unwise to form another committee or commission on a worldwide basis—I think this is a correct decision—for the purpose of compiling more information on the inventory of world food stocks. A number of commissions are already in existence to do that. Their purpose was underscored by events at the World Food Conference.

● (1710)

First, experience has shown that some countries cannot, or perhaps will not, make reports about food stocks. While there is a reporting system, unless there is one which all countries follow and use, and unless there is a complete reporting on the food stocks, that reporting system will not function properly. I am glad to note that Canada has always co-operated in making known our position in respect of food stocks and our ability to meet food aid targets. However, this is not the case in respect of some other countries.

Second, the government opposes the creation of new institutions, especially when there are institutions already in existence that seem able to do the work requested. In this connection, I would point out that four new committees or councils have recently been established. They are designed to work on specific problem areas yet interact with one another toward a common objective.

One committee I might mention is the World Food Council which has governmental representation at the ministerial level. This council is designed to deal with the political aspects of the food problem. It will receive regular reports on the world trade situation and on progress of food exports to developing countries. Another new committee is one that will be reporting to the World Food Council. I refer to the Committee on World Food Security. This committee will submit periodic and special reports on such things as current and prospective supply and stock positions of basic foodstuffs, the adequacy of stock levels and the evaluation of governmental actions to implement proposals on world food stock security.

Another committee, restructured from the World Food Program Intergovernmental Committee, is the Committee on Food Aid Policies and Programs. In our view, this will serve as a forum to improve co-ordination between bilater-

al and multilateral food aid programs. It will periodically review general trends in food aid requirements and food aid availability and will make recommendations to the various governments on food aid policies and operations.

While this is a very worth-while motion, it is simply an attempt to set up another committee to be stacked on top of other already existing committees which can provide the information that is being requested by the hon. member for Egmont in his motion. Also established is the consultative group on food production and investment. This group reports on activities to increase, co-ordinate and improve efficiency of financial and technical assistance to agricultural production in developing countries. This is of great importance in respect of the stocks of food in the world and the stocks that will be in the world.

Information in respect of technological advances in the developing countries is important because it may well be we would say to the people in China, Asia or India that they should eat more wheat but they still must be able to grow this wheat. It would also mean a switch in their basic diet, which now is mainly rice. If we ask such a person to change his eating habits and consume larger quantities of wheat, whether in the form of flour or other finished products, I think we would be taking a lot for granted. We cannot expect this to be done overnight.

When one considers the work being carried out by the Food and Agricultural Organization, plus the work that these new groups will be engaging in, I am sure all hon. members of this House will readily see there is substantial activity already under way to cover the very areas mentioned in the motion. It would be a needless duplication of effort to formulate another worldwide commission to deal with the very aspects now under study by these capable commissions of FAO.

I would also like to point out that the FAO has an international undertaking on world food security that deals in large measure with the very points covered by this motion. I should like to review the common purposes and responsibilities of this undertaking. The undertaking states that to assure a minimum level of world food security, member governments of FAO must take measures to ensure an adequate level of cereal supplies in the world so as to avoid acute food shortages in the event of widespread crop failures or natural disasters. To meet this objective, the members pledge to follow stock policies which in total will maintain at least a minimum safe level of basic food stocks in the world.

Member governments will also review or establish national stock targets or objectives with the aim of keeping sufficient levels to cover domestic and export requirements, including a security margin in case of disaster in a given country such as Canada. I am sure many members will remember the dust-bowl days on the prairies with very few fond memories. That was agreed to by Canada. It has also been agreed that the stocks will be maintained at such a level as will provide for emergency situations in all parts of the world where people may be less fortunate in recovering from a disaster. The member governments have also pledged to take measures to make sure stocks are replenished whenever they have been drawn below minimum levels.

It is of the utmost importance, if emergency assistance is to be provided with any hope of help, that we have information on stockpiling so that the supply will not go below a certain level. Member nations agree to furnish, on a regular basis, information on national stock levels, government stock holding programs and policies, current and prospective export availability and import requirements for cereals and relevant aspects of the supply and demand situation. Such a situation arose just last year in the Soviet Union. A much larger wheat crop had been expected, as well as an increase in livestock production. Now, however, that country has found itself in a position where it must bring in new orders of Canadian and American stocks in order to cover the inadequacy it experienced during the past year.

● (1720)

To meet these requirements for timely and adequate information, a global information and early warning system on food and agriculture has been established under FAO supervision and operation. The main aims of the system are, first, to monitor continuously the world food supply and demand conditions, including fertilizers and key inputs, so as to assist governments in taking timely and appropriate measures in the light of quickly changing conditions. It is interesting, when I look at our friends in the opposition, to see that almost none of our socialist friends in the NDP have considered the problem of world food stocks to be of sufficient importance to be here and take part in the debate.

Some hon. Members: Hear, hear!

Mr. Douglas (Bruce-Grey): The hon. member for Winnipeg North Centre (Mr. Knowles) has just arrived, I see.

Mr. Blais: You're a fixture, Stanley; you don't count.

Mr. Douglas (Bruce-Grey): Yes, possibly. I am so used to seeing the hon. member in his seat that even when he leaves it, goes behind the curtains and walks around from time to time, his presence is hardly missed because one sees a small image of what is usually there all the time. What I say is not meant to be one bit against the hon. member, and I am glad that he, of all people in his party, has condescended to come and perhaps join in the debate later this afternoon to let the people of Canada know that the NDP's interest in the food stocks of this nation is at least signified by his presence.

Some hon. Members: Hear, hear!

Mr. Douglas (Bruce-Grey): Another aim of the system is to indentify countries or regions where serious food shortages and other nutritional conditions are imminent, to assess the possible emergency food requirements of those nations and therefore take action to bring in to being a program that would fulfil those requirements. To date, 68 countries including Canada—I might say that Canada took a very strong stand on this—have joined that very worthwhile global system, a system of reporting, of stock-taking and generally of keeping tabs on the food situation in the world so that emergency conditions, disaster conditions and famine conditions can properly be met when they exist.

It is clearly evident that Canada is following the spirit of this international undertaking. We believe that sufficient supplies of grains should, and must, be made available to cover any disasters, although the Minister of Agriculture has often stated that the burden of carrying these stocks should not—I would go further and say they must not—rest entirely on the shoulders of the producers. We must not allow our farmers to bear all the costs and all the responsibilities for keeping these most important stocks in place.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired. He can continue with the unanimous consent of the House. Is there such consent?

Some hon. Members: Question.

Mr. Deputy Speaker: The hon. member for Charlevoix (Mr. Lapointe).

[*Translation*]

Mr. Charles Lapointe (Charlevoix): Mr. Speaker, the motion put forward by the hon. member for Egmont (Mr. MacDonald) is still of current interest, even though the World Food Conference which was held in November 1974 did provide a specific solution to that problem by laying the foundations for joint action in trying to solve the problem of world hunger. In addition, apart from that World Food Conference, the 7th special session of the United Nations General Assembly which met in New York last fall, reiterated its full endorsement of the resolutions adopted at the World Food Conference. The twofold objective of these resolutions was to cope adequately and immediately with the crises that regularly develop in the world and, in the long run, to increase the food production of the developing nations.

In order to achieve this twofold objective, the Conference has asked the developing countries to supply food assistance totalling 10 million tons of cereals each year for the next three years. In order to build up this world food bank, the Conference has recommended the setting up of a variety of agencies such as the World Food Council, the International Fund for Agricultural Development, the Advisory Group on Food Production and Financing and the addition of a Committee on Food Assistance Policies and Programs within the World Food Program. Under the same program, the Special Assembly of the United Nations also suggested setting up an assessment committee of world food resources which would see to the creation of world stocks of cereals and would compile statistics on both needs and food production to avert emergency situations like those we have witnessed in the last few years.

In addition, one should mention the international agricultural research advisory group which also studied very specifically the best means of avoiding recurrent crisis situations. The committees I have just mentioned generally come under the FAO and should all contribute toward increasing food production in developing countries.

I shall not insist further, Mr. Speaker, on the various mechanisms that exist throughout the world and which were set up as a result of the World Food Conference. I believe they will meet the aspirations of the hon. member for Egmont who advocated an international organization to meet the food needs of the world community.

I should like to elaborate on this and direct mainly my remarks to the Canadian reactions to the various resolutions passed by the Rome Conference, and the conferences held in Rome and in New York last fall. First, allow me to mention that Canada played a prominent role at the food conference and that since then its representatives have been working closely at the establishment of authorities and various committees recommended by the conference and that Canadian government officials still take an active part in setting up all those committees. To illustrate this Canadian participation, I wish to point out that Canada is one of the founding members of the World Food Council.

Moreover, Canada, through the Canadian International Development Agency, has geared its aid program to meet the urgent or long term requests in the agricultural field. Then, Canada's short term action as regards world food problems is more or less as follows: At the conference itself, Canada pledged 1 million tons of grain per year for the years 1975. 1976, and 1977, out of the 10 million tons requested by the Conference yearly. It is fair to say that this commitment has been a decisive factor in urging other donors to make firm commitments.

● (1730)

Canada, which has already endorsed the concept of a world food reserve, is now working within various international organizations to define the *modus operandi* of this reserve. And later in my speech, Mr. Speaker, I would like to deal with the interesting suggestion we find in the motion introduced by the hon. member for Egmont, namely that food assistance could be in some way related to the budget of national defence of the donor countries.

Canada has also undertaken to provide food assistance this year for up to $45 million, excluding grains but including fertilizers. Our food assistance program is increasingly being implemented through multilateral organizations such as the World Food Program and UNICEF in an effort to reach the most needy people in the developing countries. These organizations have shown their ability in the past to stimulate the authorities of these countries into accelerating their own agricultural development. Even if we are increasingly relying on multilateral organizations to convey our food assistance, the greatest part of it, namely 60 percent in 1975-76, is still being provided under bilateral agreements. To stress the importance of food assistance in the Canadian Co-operation Assistance Program, I would say that 30 percent of the budget, namely $255 million in 1975-76, were allocated in that area.

In the long run, the Canadian government's action in terms of food assistance could be summed up as follows: food assistance is only a short-term paliative, and according to the Canadian government and to experts development of the Canadian agency, only increased agricultural production in developing countries could resolve in the long run the world food shortage.

So, the new Canadian "Strategy for International Development Cooperation", for the period 1975-80 will stress better living conditions for peasants by promoting the extension of rural development programs, especially in agriculture, forestry and fisheries.

This trend will encourage not only the programs of agricultural production and infrastructure, but also those in research. By agricultural infrastructure, we mean upgraded rural electrical power grids, for instance, access

roads, land irrigation projects, programs for setting-up agricultural credit, a forest inventory and retimbering programs.

Canada has always considered agricultural research as one of the principal means to deal on a long term basis with the chronic food shortages of the most deprived countries. This research represents for those populations the determining factor of improved living conditions because it makes it possible to find permanent solutions to their problems and is likely to yield such economic benefits that those countries may hope to become self-sufficient some day.

Canada continues to support the research bodies of the third world, of which I shall list a few: For example, Canada provides funds for the International Development Research Centre in Ottawa, as well as for the International Institute for Tropical Agriculture in Nigeria. There are also funds made available by the Canadian government to the International Research Institute on Agriculture in semi-arid tropical areas in India. And we are also involved in the International Centre for the study of the potato in Peru. Moreover, we have made a financial contribution to the International Research Laboratory on animal diseases, an international government agency in Kenya. In addition, we participate in the West Africa Association for the development of rice production. And I could also mention, Mr. Speaker, organizations like the International Centre for Tropical Agriculture in Colombia, the International Centre for the Improvement of Corn and Wheat in Mexico, and the International Research Institute on Rice in the Philippines.

I therefore believe, Mr. Speaker, that international authorities have created adequate structures to try and solve the problem of feeding the hungry, and that we should be proud of the leadership given by Canada under these circumstances.

Mr. Speaker, I now return more specifically to the motion of the member for Egmont who suggests in the latter part of his motion the establishment of a commission which shall have the authority to transfer designated food and resources from member nations equal in amount to their expenditures on defence. So, if I understand, this part of the motion of the member for Egmont means that the countries which would be on that international commission and could create a food bank would be urged to provide food assistance in a proportion equal to their expenses for defence. This idea seems very interesting to me even though it might be difficult to implement, because if we ponder for a moment over the amount of money spent for military hardware across the world, we find that unfortunately these expenses result in an enormous wasting.

In 1974, for instance, the trade of conventional weapons exceeded $20 billion across the world. The industrial nations have earmarked an average of 8 per cent of their national budget but the average is rather low in Canada, when it is noted that some industrialized countries have allotted 18 to 20 per cent of their budgets. Now an average of 8 per cent of the gross national product is set aside for armament, while not a single one of those industrialized countries or only a few seem to have set 1980 as the year to reach 0.7 per cent of assistance which is the objective of the United Nations.

Food and Resources

Total world expenditures for armament, Mr. Speaker, are 30 times higher than development aid. The armament budget represents a percentage so high in comparison with our limited resources that it prevents us from coping with urgent economic and social problems in our industrial communities as well as in underdeveloped countries.

I think, as the member for Egmont seems to suggest in his motion, that it is essential that we take efficient steps for disarmament. In my opinion, we must extend the motion of the hon. member for Egmont which deals more especially with food assistance and cover the entire issue of the arms race throughout the world and we, parliamentarians, must try to drum up support among our colleagues and our electors for the importance of disarmament throughout the world. Mr. Speaker, I believe that even if this might seem utopian, the emphasis should be shifted from weapon sales to development assistance and that this is an ideal that we should try to reach. This is why I wish to congratulate the hon. member for Egmont for having proposed this motion relating development assistance to the defence budget.

However, there are very serious obstacles to disarmement if we think of all our military agreements, that is NATO on the western side, and the Warsaw Pact on the eastern side. It is unthinkable that those two military pact will have disappeared in five or even ten years. However, especially now when we are discussing a new world economic order, I believe that we should all stop and think how we could best achieve a shift from our present armament efforts to development assistance. I am convinced that with the good will of all the affluent people, and I am talking especially about parliamentarians, of all the people who have any influence on the international scene, if all parliamentarians make an effort in this direction, we shall be able to find solutions to the difficulties that we will meet when we try to put a stop to the armament race.

I therefore believe that it is our duty to galvanize, and I quote, Mr. Speaker:

To galvanize the world community towards more direct and more efficient action to stop the armaments race and change its orientation.

Former United Nations Secretary General U Thant said these words in 1966, I think.

Therefore, in my opinion, in view of the moral implications and the possibility that we could meet such an objective in the long term, we must start the fight for disarmament as soon as possible. We must also impress the importance of food assistance on industrialized countries, as well as developing countries, which very often, urged by industrialized countries, unfortunately enter the armament race with great enthusiasm.

● (1740)

Therefore, Mr. Speaker, if the hon. member for Egmont succeeds one day in dividing or extending his motion so as to relate general assistance problems to world disarmament problems, I would be happy to support such a motion if he should propose it.

Mr. René Matte (Champlain): Mr. Speaker, ever since I have been a member of this House I was always surprised when we had to consider a motion similar to the one that is now before the House that there was not unanimity and

the House did not simply adopt. it. That was always a surprise, as I say, since reading the motion is of course admitting it, just thinking about what it implies is admitting it even altogether.

Mr. Speaker, I would like to take only a few minutes to submit brief arguments on the necessity of accepting such a thing. A list was just given of a whole series of things involving Canadian participation. In fact, it was nearly said that it is now being done, that there are world agreements sponsored by the United Nations or international organizations, so that what is called for in this motion is currently being done.

Mr. Speaker, one must be realistic and see things as they are. What do we see now when a country like ours is faced with a food surplus problem and cannot find any solution? That is the situation at present in the field of agriculture. While a general trend of the agricultural policy for industrial milk producers is being justified, a trend that goes against the interests of those Canadian producers is being justified by saying: Unfortunately, we cannot get rid of those products in Canada, and we cannot either get rid of them abroad. Mr. Speaker, I said on many occasions—and I take this opportunity to repeat it—it is a sacrilege, a scandal to talk about food surpluses when we know that one third of the world is literally starving to death.

The motion is presented at a time when we could help those who in the world are having difficulty living because they cannot find all the food they would need. There should be one organization in charge of this inventory, in order to record what we have and and what could be exchanged between countries, and of course this should not be only a simple wish but something which should have been already realized.

Mr. Speaker, it is rather odd to speak about world food needs while declaring that we cannot find an outlet for our surplus of food supplies. As recently as last week, the Minister of Agriculture (Mr. Whelan) was saying in answer to a question that our producers were badly organized, produced too much and were too efficient.

Mr. Speaker, I read just recently that here in Canada the consumption of essential goods was insufficient to ensure a healthy balance. At the moment, in our country for example, the consumption of dairy products is not sufficient.

Consumption should be increased in that area. I do not say that only to solve the industrial milk producers' problem but also our underconsumption problems since here in Canada we are faced with poverty. Mr. Speaker, we must not make a secret of it, but face the situation.

We should proceed to a very concrete, very real inventory of our possibilities in order, first, to help Canada, then our own consumers and also all countries of the world which need it. It is not merely a wish, it should be all hon. members' avowed intention.

[*English*]

Mr. Ross Milne (Peel-Dufferin-Simcoe): Mr. Speaker, I appreciate this opportunity to speak on the motion before the House. It seems to me, on reading the motion proposed by the hon. member for Egmont (Mr. MacDonald), that it closely resembles another motion the House debated on an allotted day. I think the hon. member for Cape Breton-East Richmond (Mr. Hogan) raised the matter. Many of the arguments advanced that day in support of that motion are relevant in the present debate. I appreciate this opportunity to raise a couple of matters.

The previous speaker mentioned several things which, in my view, illustrate difficulties we might encounter if we accept this motion. If time permits I shall return to that topic later. The difficulties we could encounter are serious. They merit long and careful consideration. We should not lightly adopt the motion proposed by the hon. member.

The historic conference in Rome on world food supplies was convened about one year ago. Fortunately in the past year there has been an improvement in world food stocks. Conditions are somewhat better in areas formerly stricken with famine. At the same time there is little over-all improvement in the world crop and there has been little opportunity for rebuilding the world's depleted food reserves. Food shortages were the gravest concern facing the world's developing countries last year. We were all worried about the small reserves of world food. There was only enough food to feed the world for a few days. If there had been any disaster, or more drought, the consequences would have been serious indeed. That is not to say that the world food shortage is not still critical and that we should not do everything possible to improve world food stocks.

Before disagreeing with the hon. member for Egmont may I congratulate him for putting forward this motion? He has moved similar motions in the House on a number of occasions. I know he speaks on the subject with conviction. I congratulate him on it. I take issue with some of the points he raised today. I took issue with similar points which were raised on an allotted day. In short, I take issue with the means by which he seeks to achieve his aims.

The hon. member proposes that this House should urge the government to press for the establishment of a world commission on food and resources under the auspices of the United Nations. He further proposes that this commission should undertake broad responsibility for maintaining an inventory of world food supplies, for maintaining a reporting system on world food needs and availabilities, and for arranging an annual transfer of food resources from have to have-not countries. The value of the food transfer, he suggests, should equal what the have nations spend annually on defence.

The implication of this proposal which I find hardest to accept is that it involves the establishment of a new, major international body which would be of large proportions and whose functions would duplicate those of other large bureaucracies. Its functions would duplicate activity already being undertaken by other institutions both within and outside the United Nations, as one hon. member said.

Before agreeing to adopt the motion we should reflect carefully on whether we need another large bureaucracy to do something already being done. Do we need another large, powerful organization like that? I say this, because the motion reads in part:

> . . . the commission shall have the authority to transfer designated food and resources from member nations . . .

What does that operation involve? It seems easy to do it, but is it that simple? Really, transferring food from one country to another is just about the most complicated thing you can do. Consider the past history of such opera-

tions. They involve shipping, storage, and payment of storage costs. They involve the payment of compensation to producers. I am most concerned about compensation to producers. If you analyse the motion, it suggests that we should ask farmers to produce food and then donate it to the world's needy. I would not want to see the farm community shoulder this kind of responsibility on behalf of all Canadians.

Other problems I foresee involve policies and programs of national governments, and the overlapping jurisdictions of international bodies. In relation to the latter point, liaison between these bodies would require a larger establishment just to negotiate the politics that would be involved. If actual operations—procurement, transport, distribution—also fell under the commission's jurisdiction, the staff and facilities required would be enormous, and so would its budget. I have not even come to the question of compensation yet.

● (1750)

I know the forces that play on a situation like this. In my constituency, a year ago last crop year, we had an early frost. Thousands of acres of potatoes were slightly frozen. There was a good deal of urgency with respect to what could be done about the situation. The growers approached the government to see if there was some program under which they could qualify. They made the point that many countries around the world would have a need for powdered or flaked potatoes, or potatoes in some other form like that. They were amazed to find it would cost more to prepare the potatoes in that form to be used by people who have the need than what the potatoes were worth, or that they could procure that protein food value a good deal closer to where the need was at a considerable smaller cost.

The previous speaker mentioned the situation in the dairy industry today. Admittedly there is a very large surplus, not only in this country but in the United States and most of the European Economic Community countries. He stated we should have a very high social conscience and distribute dried milk powder in great quantity to many of these countries. That is an over-simplification of the argument. In many countries that have a need, this is not a type of food that they use. In fact it might do damage to the health standards of people there.

This was established in the Guatemala situation. Canada distinguished herself by the amount of aid that was sent there; some $3 million worth of material for the construction of temporary shelters for about 40,000 people, some 125 tons of food, and another three quarters of a million dollars for emergency aid. The point there was the kind of aid that could have been given by sending more dry skim milk powder. That would have been easy for us to do. It would have decreased inventories and assisted our dairy industry. However, it would have been counterproductive to the people there. They are not used to that form of food in their diet. If it were all of a sudden to become a part of their diet, many problems could arise. In fact we might even contribute to the problem rather than help it.

I just wanted to make that point because I think the previous speaker over-simplified how easy it is to take any surplus commodity in our agricultural community and give it to the world food aid program. I am sorry he is leaving the Chamber. I wanted to ask him who he intended would pay for that, and whether in fact he thought that was an assistance to the program rather than working to the detriment of the people.

Having some background in the agricultural industry I feel somewhat strongly about it. If you have a situation that we often argue in this country where we have a surplus of food, and the producers say to the government it should buy it and give it to countries which need it, while that may have some short-term benefit, in the long run it might well harm the basic agricultural industry in the country we are trying to assist.

I ask hon. members to contemplate the effect in this country if we were trying to establish an agricultural industry in a particular sector and if another country with a surplus moved a lot of its food into this country. It might be good in the short period for consumer prices and even the nutrition of people. However, it would set back our own industry to the point where it might not even develop and in fact might be destroyed. As a result we would be further away from being self-sufficient in food rather than being closer to it. This is particularly important in the developing nations.

I had the opportunity to discuss this point of view at some length with some of my classmates who, in the last few years since our graduation, have spent a good deal of time in the developing countries. They are supplying technical assistance and knowledge to the government of those countries to see if they can help them become more self sufficient. Most of them have come back from their tour of duty from the underdeveloped countries unanimous in their point of view that perhaps the worst thing we can do as a country in assisting others is to send in large amounts of food. That would work to the detriment of those countries developing their own agricultural industry and achieving their goal of becoming self-sufficient.

I realize that in the motion, if I read it correctly, the hon. member is not suggesting that we override the attempts of underdeveloped countries to establish their own agricultural industry. He is really making the point that we move in areas of real need. We all have a great deal of sympathy with that. Whenever a crisis or a real need arises, one of the biggest problems is the time lag between the need arising and the time people can respond.

The hon. member's point in terms of having some type of data bank to indicate where certain food is available in surplus situation and can be moved very quickly, is probably the strength of the motion. I always worry when there is a great need, even in the Guatemala situation, about the length of response time.

Experience shows that it takes a long time to research within a country as to what it can best do. I suggest the hon. member has a good point and that maybe the reverse side is just as important. It is just as important for countries that are not strong agriculturally to have an inventory of the types of food they can most readily use. I would argue that this might be even more important.

I return to the argument of the previous speaker. It is automatically assumed that, because we have a large surplus of dairy products in this country, Guatemala can use all of it if we ship it there. Perhaps having countries

around the world that have a history of drought or overpopulation—

Mr. Deputy Speaker: Order, please. I regret having to interrupt the hon. member, but the hour appointed for the consideration of private members' business has expired. I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

MEDICAL CARE ACT

AMENDMENT TO LIMIT ANNUAL INCREASE IN PER CAPITA COST OF INSURED SERVICES UNDER MEDICAL CARE PLANS

The House resumed consideration of the motion of Mr. Lalonde that Bill C-68, to amend the Medical Care Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Herb Breau (Gloucester): Mr. Speaker, when my speech was interrupted at five o'clock by the private members' hour I was in the process of explaining to the House that Bill C-68 applies to expenditure capping by the federal government under the medical care program and that it had nothing to do with the hospital insurance program in which the federal government participates on a 50 per cent basis.

I indicated also that the 13 per cent capping did not apply to any particular province but that it applied to the federal share of the program. It could happen, therefore, that if some provinces controlled their costs effectively they would receive more than 13 per cent. Provinces with lesser revenues could receive a way more than 50 per cent, and they could receive more than 13 per cent if they are effective in controlling their costs.

I should like to deal briefly with the arguments put forward by the Leader of the New Democratic Party (Mr. Broadbent). I regret to say I see few members of his party in the House this evening. He made a plea that the government should increase its expenditures to cover alternatives which would be of long term benefit. In other words, they would constitute a social investment. Mr. Speaker, that is precisely what the government is attempting to do. The Minister of National Health and Welfare (Mr. Lalonde) has made a commitment to the provinces, restated by the former minister of finance last year, that the federal government is prepared to extend cost-sharing in alternative areas provided the federal government can obtain a firm commitment from the provinces to restrain the rate of escalation of costs in the hospital-medical field.

Over the past year we have held discussions with the provinces on many of the lower cost options mentioned by the hon. member for Oshawa-Whitby, for example, increased use of paramedical care and institutional care at lower cost. The hon. member made a great deal about the need for community clinics. I would mention to him, though he be *in absentia*, that nothing in the Medical Care Act prevents such a development. What we have to get at is the hospital insurance program and provide for those kinds of institutions toward whose cost the federal government can participate. It should follow that the hon. member for Oshawa-Whitby supports the Minister of National Health and Welfare in giving formal notice to the provinces that five years from June 23 last we will review that particular program with the provinces so that we can do the sort of thing the hon. member has in mind.

In addition, the new amendments provide an exemption from the ceiling for the first three years of any new extension of benefits under the act. They provide further that any ceilings which may be imposed after the third year can be varied according to the nature of the service provided. Thus the federal contribution in respect of each class of new insured service will be appropriate to the cost of that program and not simply averaged in with all other services covered by the act.

In conclusion may I say that in my view the government is not one which wants to restrict social expenditures.

An hon. Member: Is that so?

Mr. Breau: They do not. I explained very clearly this afternoon that we are not in favour of such a position. But at a time when parliamentarians on both sides of the House are vitally concerned about the galloping increase in the cost of shared-cost programs it is surely not unreasonable for the federal government to say in a period of restraint, "Let us try, at least, in the case of doctors' fees to, restrain our share to 13 per cent, with a provision for increases in population." That is all the bill is doing.

Mr. Baker (Grenville-Carleton): Nonsense!

Mr. Breau: The hon. member for Grenville-Carleton (Mr. Baker) shouts "Nonsense". Has he read the bill? I challenge him. Let him show me where, in the bill, we do anything else.

Some hon. Members: Hear, hear!

Mr. Breau: Now that he has become a House leader the hon. member should be responsible and be more careful before he makes that kind of gratuitous remark. This bill does not deal with hospital costs or hospital care. It deals with medicare, and the medicare legislation deals with payment for services by doctors. We are saying that our share will be capped at 13 per cent, with provision for increases in population.

I regret it has taken 13 days or so for the opposition to understand this. I hope they have understood by now, and I hope we can get this two and a half page bill into committee without further delay. If hon. members opposite cannot understand it in committee I will be happy to go there myself and read it for them, line by line.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I do not want the hon. member for Gloucester

(Mr. Breau) to go away from this debate believing that all the people on this side of the House are completely without intelligence. When he says this bill deals only with medicare and not with hospitalization I would point out that the biggest cost in medicare is, as he said, payments to medical doctors. But without these medical doctors filling up our hospitals with patients we would not be in the mess we are in presently. Therefore there is a very tight connection between medicare and hospitalization.

The main point I want to make is that here we are engaged in a debate under an allocation of time order and, whether we call it this, or that, or the other thing, it is still part of a closure operation. What the opposition has been doing is attempting to convince the government that we in opposition are trying to help it make the medicare system work. I do not think there is any quarrel whatsoever with the statement I am about to make: every party in this House for many years has accepted the need for medicare for our people on a universal basis. If all parties accept this principle then surely the government should pay us the compliment of listening to our attempts to try to help it get at these escalating costs which are rising so fast that they are endangering the social welfare schemes.

● (2010)

In view of the accumulated experience in this type of legislation having to do with delivery of health services of many members on this side of the House, surely the government has a duty to listen to some of their proposals in this debate. If I may go back to February 17 when I spoke on the original motion to send this bill to committee, I would like to remind hon. members that the question of universal health services is not new in North America. I happen to have been one of the two who in 1936, 40 years ago, moved a motion calling for prepaid medical and hospital services in Saskatchewan. Eventually Saskatchewan got them; in 1946 it got hospitalization and in 1960 prepaid medical care. So I have some experience in this matter.

I sat in a cabinet that saw the mistakes that had been made in the United Kingdom when they brought in their hospital and medical care schemes, and which saw the mistakes made by a very sincere government in Saskatchewan when it brought in its hospital care scheme. So we set up a royal commission, with the other man who was with me in 1936 in moving that the Conservative party of Saskatchewan support pre-paid medical and hospitalization services, Mr. Hall, as commissioner, to propose a series of steps that would move forward more rapidly the concept of a universal medical care scheme in Canada in addition to hospitalization, a move designed to avoid the mistakes of uncontrolled costs both of hospitalization and medicare.

I do not quarrel with the sincerity of the Liberal government when it says it believes in medicare. I accept that. But what I do question is its sincerity in not listening to those of us who have fought the battle much longer than they for these universal schemes and who are now trying to save these schemes. We must listen to arguments from the financial side that if costs continue to rise these schemes will be destroyed.

Having made that opening point, namely, that we are not here to scuttle the medicare scheme but that we of the opposition are trying to help the government save it, let me go back to the games the hon. member from New Brunswick referred to which politicians play. In spite of the fact that the Liberal party, in opposition from 1957 to 1963, fought like tigers ad infinitum—because there was no closure in those days—against all forms of co-operative enterprise between the federal government and the provinces, when finally they were elected as a minority government in 1963, and again in 1965, they encouraged the provinces to opt out of joint enterprises that the federal government had embarked on with the provinces during the years 1957-1963. They were the great supporters of allowing the provinces to opt out of co-operative schemes.

Then in the election of 1968 we suddenly found the Liberal party advocating cooperation of government and the provinces on medicare, with the federal government providing 50 per cent of the cost. In effect, the pressure of offering 50 per cent of the cost to the provinces forced the provinces to come into the scheme, but long before they had built up the infrastructure required to keep the cost of such a universal scheme down. Everyone remembers the protests of the province of Ontario, and today the province of Ontario is paying a heavy price for having been forced into this scheme. Now eight years later the very party that forms the Government of Canada, which was once against co-operative enterprises but which turned around in 1968 and literally forced, by economic pressure, the provinces to come into its scheme, with no financial control mechanism provided for, is deliberately opting out of its own scheme into which it forced the provinces to enter.

Mr. Railton: Mr. Speaker, I rise on a point of order. The hon. gentleman is quite wrong about Ontario being forced to go into a medical scheme. It was the Hon. Leslie Frost, a former premier of Ontario, who led the request for federal sharing with the provinces in the cost of hospital insurance. My authority is a letter of October 10, 1975, from the Minister of National Health and Welfare (Mr. Lalonde). I think that should go on the record, because we have had an incorrect statement from across the aisle.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Turner): I suggest to the parliamentary secretary that that is not a point of order but a point for debate.

Mr. Hamilton (Qu'Appelle-Moose Mountain): May I thank Your Honour for pointing out the preposterous point brought up by the hon. member. He mentioned hospitalization. There is no question that the federal government, under the right hon. gentleman from Prince Albert (Mr. Diefenbaker), took the lead in asking all provinces to join together in a hospitalization plan on a co-operative basis, and that is what the hon. member referred to in his quotation.

Let me repeat what I said. With the pressure of the federal government's offering a 50 per cent contribution to medicare, any province literally had to join with the scheme for political reasons. But they joined the scheme

without proper preparation of the infrastructure to keep costs under some form of control.

It is on the question of control that I want once again, as we move into the final hours of this closure debate, to plead with the government when the bill gets to committee to consider the proposals I am making as positive proposals that would get it out of its problems. All parties—I should speak only for the official opposition—want to do what we can to stop this ever-rising expenditure by governments which is breaking the country. This bill is legislating that the increase this year will not be stopped but will only be allowed to rise by 13 per cent. That amount of increase is being legislated.

We are not proposing that the increase be cut to zero. What we are asking is that the government get at the basic causes of rising costs. The fact is that these schemes are universal, but insufficient care is taken to see that the schemes are not abused. Many people ask me whether I have any positive evidence, if incentive is provided not to abuse universal programs, that the people will respond. I do have examples, Mr. Speaker, and I will quote just one in the city of Saskatoon.

In Saskatoon there is a labour union, small in number, comprising about 200 members. Following completion of negotiations on wages and working conditions one of the union members in the negotiating team proposed that they discuss, without controversy being raised, the idea that the sick leave that the city granted these workers amounting to 18 days a year be banked, to the benefit of the city. If there were 20 sick leave days a year in a union contract, over a 40-45 year life of a contract an individual would have a right to 800 or 900 days of sick leave. Human nature being what it is, if the sick leave were 18 or 20 days a year many workers would take the full amount. This particular union had a record of about 14 or 15 days of sick leave per person per year, which meant that the city had to pay the full wages of the replacement for that person who was sick according to the contract.

● (2020)

When this particular union's negotiator took this into the discussion without prejudicing the previous agreement, management immediately responded and said that if they would work and set up a bank of days the city would be prepared to give a full year of days in that bank that would be paid to the person in cash, either the year before the person quit or on the day the person quit. This meant that the average 14 or 15 days sick leave per man per year dropped to about half a day per man per year. This now meant that when a man went out on Saturday night and still had a headache on Monday morning he would go to work because he knew that by staying away the amount in the sick-day bank would be reduced quite rapidly for him on retirement. Obviously the city was a big gainer in that situation. The city gained some 14 or 15 days per person of free labour because of the many advantages in the proposal. I will give another example of a similar nature.

I know there are sick leave arrangements in the civil service here in Ottawa. I am simply pointing out the principle that there is a place in these universal schemes for the individual, for his own benefit and that of his family, not to abuse the schemes any more than he or she must. This meets the problem in respect of the doctors and others, with those who take the attitude that the services are free and they should be used whether or not they are needed.

In my remarks on February 17 I said that if the government is really serious about meeting social services fixed costs now, which make up 80 per cent of the total amount of money this parliament spends each year, and if it wanted seriously to do something about combining hospitalization, medical care, old age pensions, and some day, I hope, accident insurance also, into one package, it could do so. Each individual would pay at the actuarial rates established by the experts who prepare these things.

Out of this amount approximately one third would be paid in for those who are chronically ill, for those who are chronically unemployed and those who are unable to help themselves. This is a social responsibility of all of us. The balance would go into an individual account, which is electronically possible now although it was not possible 20 years ago. Every time an individual went to hospital he or she would know that their costs would be paid. If they went to the doctor they would know that their costs would be paid. Every time an individual was unemployed he would know that his costs would be paid. He would know that every time he had an accident he would be looked after.

The scheme would be on a universal basis. The individual would know that if he drew it all out and went beyond a certain amount he would receive only the minimum amount as his old age pension. He would know that if he used the plan just the average amount, if he visited a doctor just the average amount, or was unemployed the average amount, and had an average number of accidents, the amount that would accumulate at the present interest rates and the present contribution rates would represent an additional $400 or $500 in his pension at age 65.

In such a case I think the situation would be similar to that in respect of the union I mentioned in Saskatoon. A person would be willing as an individual to protect himself and his family, and he would make it very difficult for any doctor to get him into hospital for a cut finger or any other similar ailment. All of a sudden there would be a great pressure for the doctors to restore home visits and be paid for them, which is not always the case now. All the devices would be used in an effort to keep down the costs. That individual would be careful about every expenditure. It has been estimated that about 50 per cent or 60 per cent of these total costs would disappear if individuals enforced their own use of the plan. So instead of talking about spending $100 million or $300 million more a year, which worries the finance minister now, let us look at a positive approach by which we could save billions of dollars a year through the use of a package approach.

I put forward this proposal not because it is new but because it has been around and never tried. It has been checked actuarially in the Clark Report of 1959-62. I simply say that politicians have some responsibility to their electors and that they should look at information that is already available. With the higher rates of contribution to the plans, the higher use of these plans and the higher the cost of all these services, we should look for an idea of how we could reduce these items and provide an increased old

age pension by the introduction of this sort of a package deal. Once again, as I say, I do not have the machinery to do the calculation myself. The calculation could be made in a few months with the machinery the government has at its disposal.

These universal schemes would be combined and the people would pay a fee, a portion of which would go for the social needs of all of us and the balance would be placed in an individual account. I know this is done in respect of the operation of the Canadian Wheat Board. The sales of each individual farmer can be accounted for there. If his account number is punched the computer can tell the number of bushels of wheat, the number of bushels of barley, and the number of bushels of oats, of every grade, and the price in respect of every Canadian Wheat Board transaction made by the farmer.

This is done in respect of social security in the United States. It is done in many cases. I think that if a man were told he could use the excess in his account to increase his old age pension there would be a tremendous individual incentive to use these schemes only as a person's health demanded.

Having said all that, I know there will be thousands of cases where through no fault of the individual all the benefits will be used and therefore there will not be any increased amount in the old age pension under this proposal. I also know there will be a certain number of people, no matter what inducement is placed before them, who will abuse every plan that is put before them because this is their nature. But I would think between 60 per cent and 80 per cent of the people in a community of 22 million or 23 million people like Canada would respond to an individual incentive.

This is very different from the type of situation we have now with a negative deterrent. I spoke rather sternly a month ago on the evils of a single individual negative deterrent. I pointed out that when you put on a deterrent fee for hospital or medical use you punish the sick, the person who is the last one who should be punished.

● (2030)

I pointed out that where the individual deterrent had been tried on an individual basis the political party that tried it ended up by being defeated. I warned the politicians on the government side that by the universal deterrent they are putting in here, without making any effort to get at the basic causes of the rising inflationary cost push, which will simply put up the ceiling which might rise to 13 per cent, and the effect of putting a brake on these things that have gone out of control, will result in the punishment of only one person, the sick person, and there will be widespread revulsion against this.

Also you have the pressure to face that the country simply cannot stand paying $16 billion, $18 billion or $20 billion a year in these open-ended accounts. We know it is a major cause of the inflation we are suffering today, and we know it is destroying people who are trying to earn enough and save enough to have old age security of their own. We know we have to stop this inflation. I am simply pointing out in a positive and constructive sort of way that there is an alternative.

I for one do not mind voting for the motion of the hon. member for Broadview (Mr. Gilbert) in which he suggests that we give this bill a six months hoist and let the government have time to think about this idea.

I am sure that among the elected representatives on the opposite side there must be some who are willing to challenge the control that senior members of the civil service have over them. The civil service mandarins have consistently tried for over 30 years to build up a system of controls and regulations in Canada. They think that as long as they hand over the patronage to the politicians they should have the right to run this country on a controlled system. Here they have a chance now in the Liberal party, even if only a few of them stand up in caucus, to say they should take a look at this proposal and not just turn it down and accuse the opposition of obstructionism because they have talked on a matter as important as this for 13 days. The opposition would stop here as of now.

I am not entirely in agreement with those on my left. I have read their speeches and I have a feeling they want all the money we need to handle all these social services, including medicare. I read one statement to the effect that Ontario is trying to save $50 million by closing down some hospitals. That is all part of the program that will be spread across the country soon. There will have to be restrictions. The inference in that statement is: "What is $50 million? Canada is a rich country." I am simply saying that that attitude must also be controlled. But I do not see members of the NDP opposing my proposal. God knows, I have never questioned their sincerity on the need for medicare; let them not question ours when we talk about practical ways to provide positive individual incentives and not to abuse these schemes.

I have hammered in this point as hard as I can, not only to save billions of dollars for the people who go into these schemes but to save the schemes themselves. I know from the experience in Great Britain and some of the countries in Europe, and now in North America, that even though we have been rich countries we are coming to the state where people are getting fed up to the teeth with this ever climbing tax load and the knowledge that all their savings are being wiped out by inflation. One of the causes is this ever increasing cost of government, the interest rates, and so on.

I would hate to see the antagonism of the people rise to the point where they would support policies by any government to slash these schemes and throw them aside. But I do believe that personal incentive, if accepted by the provinces and the federal government with their joint program, has great leverage and that we should save these schemes and reduce the expenses eventually and then have an automatic control mechanism which would not allow them to get out of hand in the future.

I want to conclude by a simple plea to the government members. This is not a political game to some of us. It is something that is a lifelong objective of trying to provide certain minimum fundamental means to the people that the country can afford, such as food, shelter, and medicare, which I think rank as the first three. People in all parties have fought in their legislature and in their parliament for these objectives. I and all those who are listening to me certainly do not want to see antagonism rising against

these heavy expenditures resulting in reactionary and negative policies of putting on a ceiling or brake, because I know from bitter experience that when you put on these deterrents it is always the sick person who suffers. The smart guys always know how to get around it.

Therefore I am pleading for all I am worth—I do not have much weight, I know—for somebody in the Liberal party to stand up in their caucus, and hopefully in their cabinet, and say, "Let us take a look at it. We are tired of being run by a group of civil servants who have been consistently wrong for 30 years on the monetary policy, the fiscal policy, and the trade policy, and about this business of putting on services on a universal basis without having a built in individual incentive to make them work."

I would like to see the red blood corpuscles of people who sit on the government benches rise up and make them speak out, because it has happened in other parties and it has had effect on the cabinet. They have been trying to prove in the uproar of the last two weeks that they can stand firm against the claim of the opposition that something improper is going on, but they will stand firm only so long as the caucus stands firm behind them.

The appalling thing we are witnessing here, not only in the episode of the judges, but in the Hamilton harbour case, the question of the SIU, the Austin case and all the rest of them, is that many people on the government benches do not ever think they are doing wrong. Here I am giving them a chance on something that has nothing to do with the patronage system which they seem to worship so much; here is a chance in the field of social welfare to help save it by getting at the basic costs and letting the individual provide the discipline. If you put your faith in the great majority of people, I do not think the individual Canadian will let us down. I hope the government will give this consideration instead of looking at it as a game, applying closure and shutting off the debate.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, speeches in this place are often commenced with the suggestion that the hon. member did not intend to speak. I want to make it clear that right from the start it was my intention to speak at least twice, once on the main motion and once on the amendment. I have been frustrated in that intention by a Liberal virus that has been around the place. Some of us have had to cope with it for the last few weeks. However, I am happy to have the chance to speak at least once in the debate. I can see the application of the closure rule will prevent my speaking when we get back to the main motion, but at least in the few minutes I should like to take now I hope I can make it clear that I think the six months hoist amendment should be supported by the House.

● (2040)

Sir, I have in my hand a book which I wish I could persuade modern-day Liberals to read. Its title on the outside is "National Liberal Convention, Ottawa, 1919". The title on the inside cover page reads as if it were the only convention there ever was. The title is "The Story of the Convention and the Report of its Proceedings"; on the opposite page is a photograph of a very young man identified as W. L. Mackenzie King.

An hon. Member: You were eight years old—

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

Mr. Knowles (Winnipeg North Centre): The hon. member is wrong, again; I was eleven. In 1919 we did not have a national party.

An hon. Member: You still don't!

Mr. Knowles (Winnipeg North Centre): There were some labour and farmer and socialist groups in various parts of the country which were the forerunners of our movement, but I think that any objective student of history, including any of us, would have to agree that the progressive element in Canadian politics was represented by what the Liberal convention fought and stood for in 1919.

In particular I should like modern-day Liberals—the few older ones who are around may have seen this book before but I suspect some of the younger ones did not know of its existence—to read Mr. Mackenzie King's speech in introducing the labour and social policy resolution that was passed at that convention. Some of the things that are in it we surely should have had a long time before that. Some of the things in it were already common practice in democratic countries of western Europe and some other parts of the world, but they were not yet here in Canada so the Liberal party took its stand for a whole host of progressive measures in the social and labour fields.

It is true that if you read through this document you will find a lot of hoopla in it, though not quite as lively as the hoopla of modern conventions. You will find a lot of condemning of the government in power, and a lot of passing the buck and all of that. But I say quite categorically, Mr. Speaker, that the commitment the Liberals made in 1919 to try to move this country forward was quite noteworthy.

Included in the list of things that the Liberal party committed itself to in 1919, as set out in the resolution moved by Mackenzie King, was a commitment to old age pensions, unemployment insurance, and health insurance. One might have hoped, of course, that since that party got into power a couple of years later it would not have taken long until those objectives were realized. But even the progressive Liberals of the 1920's were pretty slow moving. It actually took more than 40 years to get the Liberals to come through with all the things they had promised in that great convention of 1919.

During those 40 years or more there had to be an awful lot of prodding from this side of the House. Our forerunners in the persons of Mr. Woodsworth, Miss Agnes MacPhail and Mr. Heaps had to get here. The C.C.F. had to come along, and then the NDP, to prod all these things. I think it is fair to suggest that over those 40 or 50 years the Liberal party did move in the direction of social legislation for the good of Canada.

Mr. Nystrom: They crept.

Mr. Knowles (Winnipeg North Centre): It was 1926 before the first of the commitments was brought into effect, namely, old age pensions, and the history of that is pretty well known. It was a minority parliament in which there had been no mention in the throne speech that there would be old age pensions when Mr. Woodsworth and his friends wrote letters to all the parties and called for their

stand on that issue. They got from Mr. King a promise that old age pensions would be introduced in that parliament. Mr. King had to be pressed considerably even after that, but the bill was introduced in that short minority parliament. Although the bill got passed by this House it was defeated in the other place.

There followed an election, and after that election Mr. King brought the bill back again so that by the end of 1926 or the beginning of 1927 we did have a start on an old age pension system. Old age pensions are not the subject tonight so I shall not take time to describe what that pension was like and the long battle to get it improved. The point is that it took from 1919 to 1926 or 1927 to get the first of these items implemented.

The second item was unemployment insurance. Again we had a promise, a commitment of the great Liberal Party of Canada in its great convention of 1919. So what year was unemployment insurance passed? In 1940, 21 years later, coming into effect in 1941.

For health insurance the struggle was long and almost endless. I remember about 1947 or 1948 when there were rumours around that Mr. King, who was getting near the end of his time as prime minister—was getting near the end of his time in fact—had decided that before he finished he wanted to put health insurance on the statute books. I remember the excitement here one day when word got around that Mr. King would make a statement on motions in the House that afternoon and it would concern health. Some of us were naive enough to think that at long last, in 1948, we were going to get the health insurance that had been promised in 1919. That is not what we got, Mr. Speaker. We got instead the announcement of the hospital grants that the federal government was prepared to make to the provinces. There was no provision in this at all for medical care, but there was the beginning of money to assist the provinces in the building of hospitals.

I remember very well hearing Mr. King say in 1948, all those years after 1919, that we could not do these things overnight, that there was no point in talking about hospital insurance or medical care insurance until the infrastructure—I do not think he used that word because we did not use it in 1948—until all the equipment and buildings were ready and enough doctors had been trained. So in 1948 the notion that we were going to get health insurance proved to be false. It was actually 1957 before the Liberals finally brought in the first act having to do with hospitalization.

Even that act had in it a provision that required a majority of the provinces to come in before it would be effective. It was left to the government of the right hon. member for Prince Albert (Mr. Diefenbaker) to modify that act when his party came into power so that the provinces could come into the hospitalization legislation one by one.

● (2050)

We had to go all the way to the middle 1960's, to the years when Lester Pearson was prime minister, before the Medical Care Act was finally passed. We waited a long time, from the initial Liberal promise of 1919 until the middle 1960's, to get the Liberal party to implement the glowing promises it had made to Canada. We waited some 45 or 46 years. At least they were moving—

Mr. Nystrom: Creeping.

Mr. Knowles (Winnipeg North Centre): My hon. friend says they were creeping. At least they were creeping in the right direction.

In all these discussions about pensions, unemployment insurance, and later about hospitalization and medical care it was established that if the programs were to be of value to the people of Canada they had to be equally available across the country. The idea of co-operation with the provinces is spelled out in the resolution passed by the national Liberal convention of 1919. The Liberals of that day accepted the need for co-operation between Ottawa and the provinces and that schemes had to be introduced which would make social services like pensions, unemployment insurance, hospitalization, and medical care equally available to all right across the country.

Having been present in the House during the last six years of the prime ministership of Mackenzie King and having been a member during the prime ministerships of Mr. St. Laurent and Mr. Pearson, I felt that there was a certain tendency on the part of the Liberal party, especially on Mr. Pearson's part, to implement the social commitment which had been made in 1919. As a result we saw improvements in old age pensions; the government introduced the Canada Pension Plan, and we saw improved unemployment insurance. We were given a type of improved hospitalization program, and then we saw the provision for medical care.

My complaint, which I have made previously and which I repeat this evening, is that the modern-day Liberal party under the leadership of the present Prime Minister (Mr. Trudeau) is reversing that long Liberal trend.

An hon. Member: That's the Trudeau party.

Mr. Knowles (Winnipeg North Centre): My hon. friend calls it the Trudeau party. Although I know one is not supposed to use that person's name in the House I think that description of the party is better than "Liberal party."

Mr. Blais: Come off it.

Mr. Knowles (Winnipeg North Centre): The Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Kaplan), the hon. member for Gloucester (Mr. Breau), and others are able to do a pretty good job with figures. They try to show that in terms of numbers of dollars which will be paid to the provinces under the Medical Care Act in the next two or three years, the money flowing from the federal treasury to the provincial treasuries, will increase. They stand up and say, "What are you shouting about?" They ask, why are we complaining about the government's opting out, when it will actually pay a few more dollars?

The point is that the formula in this bill which provides for a limited increase in the next couple of years and then for limits to be fixed after that, by order in council, will mean that reduced amounts will be paid to the provinces. The upshot, even when you consider the amendments which disregard certain things and to which the hon. member for Gloucester referred this afternoon, is this: a few years down the road Ottawa will pay less than 50 per

cent of what it costs the provinces to maintain medical care.

Mr. Railton: What years?

Mr. Knowles (Winnipeg North Centre): I know that the 50 per cent formula is not for a straight 50 per cent and I know that I should not oversimplify it. The present proposition calls for the government to pay 25 per cent of the national average and 25 per cent of the provincial average. The result, in terms of dollars to be spent, is that wealthy provinces get less than 50 per cent, and poorer provinces more than 50 per cent.

Mr. Railton: The wealthy provinces get more than 50 per cent.

Mr. Knowles (Winnipeg North Centre): My hon. friend opposite is good at making mistakes.

Mr. Railton: Not at all. I have the figures before me.

Mr. Nystrom: Yes, but they are Liberal figures.

Mr. Railton: Mr. Speaker, I rise on a point of order. I will be glad to correct the hon. member. The hon. member on the other side made an incorrect statement. The federal government pays 54 per cent to the wealthy provinces and 75 per cent to the have-not provinces for medicare.

Mr. Deputy Speaker: Order, please, that is not a point of order. Hon. members are entitled to make corrections with respect to misinterpretations of their own speeches, but I do not think they can interrupt other hon. members to correct them. The hon. member is the next Liberal speaker on my list. He can make any corrections he wishes when he speaks.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the Acting Speaker who was in the chair before Your Honour came in tonight had to rule similarly on a point of order raised by the same hon. member. I say, especially to those opposite, that the result of this legislation will be this: down the road, the percentage which the federal government will pay of total medical costs will be reduced.

Mr. Blais: That is not so.

Mr. Knowles (Winnipeg North Centre): My hon. friend opposite can say that is not so, but I suggest that that, precisely, will be the effect of the legislation. In addition the government has given notice that at the end of five years it will renegotiate the hospital agreements. That simply means, that the federal government, which participates with the provinces in providing hospitalization and medical care, will shift more of the burden to the provinces.

Mr. Railton: How sensible is that remark.

Mr. Knowles (Winnipeg North Centre): I regret that the Liberals have turned away from 50 years of progressive social legislation, which they said should be implemented universely, nation-wide. Now they want to put more of the burden on the provinces.

[Mr. Knowles (Winnipeg North Centre).]

I do not predict that the day will come when hospitalization and medical care will no longer be free, or that Canadians will have to pays hospital bills or doctors' fees, as used to be the case; but I do predict that, under this regressive aberration, a few years down the road the poorer provinces will not be able to provide the level of medical and hospital services available in the wealthier provinces.

Mr. Railton: And how many years are you going to give us?

Mr. Knowles (Winnipeg North Centre): If I had my way I would not give you any more years.

Mr. Railton: That's what I thought.

Mr. Knowles (Winnipeg North Centre): If I had my way, you would be out tonight.

Mr. Railton: I know, I know.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, pardon me for having directed my answer across the way. I was not saying that to Your Honour.

An hon. Member: N'yah, n'yah, n'yah, n'yah!

Mr. Knowles (Winnipeg North Centre): What an interruption! It shows that the members on the Liberal side do not know what they are doing. The advantage of our present hospital and medical care scheme is that the service is more or less the same in all parts of Canada. If the federal government's share of what provinces must pay to provide medical care and hospitalization goes down, the provinces will have either to cut back services, impose deterrent fees or introduce special charges. When that day comes you will see better service at less cost, in some provinces, and poorer service at a higher cost in others.

The great party across the way talks of national unity. Well, it is destroying national unity where it hurts. When you talk of national unity you do not talk just about language. National unity also counts in terms of health and in terms of the pocket book. As I say, what bothers me is that for 40 years the Liberals seemed to be moving in the right direction. But these characters on the other side who now call themselves Liberals are prepared to send it all down the drain. All the arguments they have been trying to give us in the last few days, and again tonight, about there being more dollars in the next few years do not get away from the fact that they are trying to provide for a lesser share to be paid by the federal government.

● (2100)

There are other schemes coming along like a guaranteed annual income or a new social security system, again on a shared basis. I cannot blame the provinces for being very suspicious about these new shared programs. In the first place, they are put to them in a way that attracts them. It invites the provinces to come in. When they have the experience that down the line somewhere the federal share is reduced, it can only make the provinces leery.

There are some programs such as the old age security that so far we have been able to maintain at the same level right across Canada. The guaranteed income supplement is

also at the same level right across Canada. However, already, because the federal government has not raised old age security to the amount it ought to be raised and because it has let down the old age pensioners, governments like those in British Columbia, Saskatchewan, Manitoba, Ontario and some others have had to come in with special supplements. These supplements vary from province to province. Therefore right today an amount that a pensioner is able to get if he has nothing else varies considerably from province to province. In my book that is not national unity.

These characters across the way, these hon. members who comprise the governing party, are destroying the very basis of national unity. They are selling out the very thing for which their party stood and worked for so many years, even if it took a lot of prodding to get them to do it.

An hon. Member: What is the NDP doing for them?

Mr. Knowles (Winnipeg North Centre): I get enough jibes around here, such as having come with the building and so on, that I should be careful with what is in my mind at the moment. However, it is really hard to take when new members come to this House and ask what the NDP or the CCF has done in these areas. It is a fact of history that it has been our prodding from the days of Mr. Woodsworth, through the days of the CCF, through the days of the NDP, that has prodded the Liberals to do the things that are worth while in the social field. If my hon. friend does not know that, he should go back to school and read Canadian history. There is no question that the Liberals in power put these pieces of legislation on the books, but not one was put there voluntarily. Everyone had to be pulled out of them by a determined opposition.

For an obvious reason, Mr. Speaker, I should not try to keep going the full 40 minutes. I say that because as I have mentioned there is a Liberal virus around this place that some of us on this side of the House seemed to have picked up. That "Liberal" by the way, is spelled with a capital "L".

There is one comment I want to make to the hon. member for Gloucester. He seemed to take a great deal of pleasure in trying to say to the hon. member for St. John's East (Mr. McGrath) that all he was doing was defending higher salaries for doctors. The hon. member for Gloucester said the Medical Care Act only provides payment to the doctors and, unless we are prepared to put these clamps on, we are in effect voting for higher salaries for doctors.

Has the hon. member for Gloucester heard about the Anti-Inflation Act? Has he heard about the Anti-Inflation Board, or is he admitting that in terms of limiting or controlling doctors' salaries, the way the Anti-Inflation Board controls wages, that whole policy is a failure? I suggest, Mr. Speaker, that the whole argument the hon. member for Gloucester used at that point is an admission that the Anti-Inflation Board policy is not succeeding, and that it is stupid on his part to argue that we need this bill for that purpose.

Mr. Breau: Mr. Speaker, will the hon. member be kind enough to accept a question?

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker.

Mr. Breau: Recognizing that the hon. member might not have supported the anti-inflation program, and that is beside the point, does he agree that because of that program being in effect, this program would have very little effect on the provinces?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, that question implies that the anti-inflation policy has limited the salaries of doctors. If that is the case, in terms of the argument the hon. member was making this afternoon, this bill then is not necessary at all, and it is far better that we should give it the six months hoist.

The other point I want to make before resuming my seat is that it is my strong belief that it is still true that in a country like Canada, with a federal setup, we get along better by co-operation than confrontation. For the federal government, instead of meeting with the provinces to discuss ways and means of holding down medical costs and arriving at some arrangement for that, to try to get this bill through so that it can present the health ministers of the provinces with a *fait accompli* is the wrong way to go about it. That is another attack on the national unity of this country.

Bill C-68 is wrong on all counts. I hope that when the vote comes at the end of this closure period the House will vote to give this bill a six months hoist.

Mr. S. Victor Railton (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I am very pleased to follow the very eminent member for Winnipeg North Centre (Mr. Knowles) who had so much misinformation for this House, particularly from the standpoint of doctors, with respect to Bill C-73 and Bill C-68 which he did not seem able to separate.

Over this past week end I have been reading the speeches of different members. I have also read the remarks made by the Minister of National Health and Welfare (Mr. Lalonde). I tried to get the ideas being presented here about health care and Bill C-68 into my head. I have gone over a lot of speeches. The minister has been making statements which are very consistent and easy to understand. He has emphasized several things.

First, medicare and hospital care costs, exclusive of extra benefits which some provinces have initiated, have risen by 22.5 per cent last year, will rise 20 per cent this year, and will again rise 18 per cent next year. I hope the hon. member for Winnipeg North Centre is listening.

Second, for several years negotiations with the provinces about modifications of our cost-sharing arrangements have been unsuccessful in spite of valiant efforts of the Liberal—federal government—I was going to say Liberal government, it is liberal—and constant demonstration of fair treatment both to have and have-not provinces. That is a new phrase, have and have-not. Just like the countries of the world, the provinces are listed much the same. The federal government pays the biggest share in all of these schemes and the amount varies from 54 per cent to 74 per cent, never in any case below 50 per cent.

● (2110)

Third, starting with the budget of June, 1975, and culminating in Bill C-68, the government has proposed to put ceilings on the increase of annual contributions from Ottawa to the provinces. All it is doing is putting ceilings on the contributions. It is not decreasing them. These increases are 13 per cent, 10 per cent, and possibly 8 per cent in the third year but I think the minister has relented and made the last figure 10 per cent and it is likely to continue to be 10 per cent for a year or two thereafter—there is a likelihood that this will continue for five years.

There is one more point. The federal government, as required by law, is serving notice on the provinces that it will terminate and replace existing agreements under the Hospital Insurance and Diagnostic Services Act. This allows five years for new agreements to be drawn up, plenty of time in which to review not only cost-sharing but the whole question of possible changes in the health care delivery system.

Looking over the speeches made in the House it is almost incredible how plain statements, so logically presented, were so generally misunderstood or, should I say, so universally misrepresented by all members speaking from the opposition side.

This bill has consumed a vast number of hours during the present session. Too much time has been spent already on this one piece of legislation. I heartily congratulate the government House leader for putting forward the motion which sets limits on further debate. He could not pursue any other course without being unmindful of the government's duty to the people.

It is well known that there is an adequate number of general hospital beds in Canada per capita. In fact we have more beds per capita than they have in the United States or in the United Kingdom. Our greatest need in the matter of beds is for long-stay patients who may be convalescing from acute conditions or for chronically ill patients requiring continuing or permanent hospital care. The federal government for some years has been exploring with the provinces the possible extension of hospital insurance programs to include lower levels of institutional care. This would require the provinces shifting some of the emphasis from expensive acute services to less costly but equally acceptable alternatives. All this could be tidied up before the end of the next five years.

Most members who spoke for the NDP charged that the federal government was reducing its contribution. This is contrary to the facts. There will not be a reduction of services or any need for provinces to increase taxation above levels previously envisaged. Every province could still enjoy the present level of good medical care. Nowhere will there be any reduction in medical research because the rate of escalated contributions would always be held above the inflationary index.

Mr. Knowles (Winnipeg North Centre): Can you keep a straight face and say that?

Mr. Railton: Mr. Speaker, those pious, rather hypocritical expressions of melancholy and cries that the provinces were being abandoned are completely unfounded. Most of those speakers—and I am referring now to members of the New Democratic Party—felt there was no need to economise or cut frills. Some advocated complete disregard for spiralling costs. In fact they counselled us to leave things exactly as they are, no matter what the cost. How impractical can you be?

The Progressive Conservatives, on the other hand—and there were plenty of good speeches made over there—said the government had acted unilaterally without giving warning to the provinces. The minister has shown how false this accusation really is. He was, as usual, called arrogant—a favourite opposition description of any courageous move on the part of the government.

Conservative spokesmen also asked, "Why bring in Bill C-68; surely the anti-inflation controls under C-73 will be enough to look after increasing costs?" The crux of the matter is that negotiations must be completed in the next five years and agreement achieved. Given any kind of co-operation, this question should have been settled already.

Our worthy opponents opposite even blame the federal government for the inept "bull-in-the-china-shop" type of hospital closures recently seen in Ontario. If this happened to be the object of Frank Miller's or Bill Davis' ploy, it certainly backfired. These inept confrontations between the Ontario department of health and the unfortunate hospitals which have been closed down only increased the difficulties of Ontario's hospitalization program.

It is very hard to see how the complete closure of hospitals such as the Doctors' Hospital, the Clinton Hospital, and the Paris Hospital can save money for anybody. First, the hospital staff becomes unemployed. Next, the hospital buildings must be maintained even if they are not used. Third, the patients must be moved to other hospitals where they will be cared for at greater expense. In my opinion it would have been much better had there been some reduction in the over-all bed establishment at all Ontario hospitals. At the same time the number of beds reserved for patients suffering from acute conditions could have been reduced and other wards could have been set aside and used by convalescent patients. As I mentioned before, these "lower level" beds could still serve the community well, though in some cases the status, medically, of the community hospital of necessity would have to be lowered.

We have been criticized incorrectly because of this interpretation. It has been said that the federal government has instituted cuts whose effects would be to reduce health care services. In fact, as explained earlier, the government has simply put ceilings on annual increases in its contributions. These are still well above the inflationary rate. The whole subject has received a great deal of study and it is well known that these ceilings will not jeopardize the present program. Nevertheless it is imperative that both sides reach an agreement.

Our mortality rate, our medicare and hospitalization systems, have been compared to those of foreign countries. We realize that a health delivery system enjoys continuance of the status quo, but it is not sacrosanct. People in Canada rather like our present system which allows doctors to carry on private practices. There is no doubt that the level of medical care in Canada in doctors' offices is much superior to that in the United Kingdom. It is the

hospitals, though, which are at the centre of our medical care system.

Victims of drug overdoses, drunks, psychologically upset families, and people hurt in car accidents crowd into our hospital emergency wards at night and especially on week ends. The hospital has become over-used. This is due partly to pressure from people frequenting the emergency facilities and sometimes to over-servicing by thoughtless doctors. Only in hospitals can major operations be performed.

It has become clear that doctors cannot do house calls and still see all the people who crowd into their offices or even into outpatient departments. Even though there is one doctor for every 900 people in Canada some people feel there is an under-supply of medical care. It is quite possible that the present dilemma can only be solved by using a new approach to health care delivery systems.

● (2120)

When one considers that many day-to-day patient complaints are minor, it would seem that a highly educated professional man is not required to use his knowledge and skill very often. It has been contended that many patients coming into outpatient departments or even into doctors' offices could be seen primarily by a paramedical assistant in the OPD or in the home. Following that, only a small percentage would need to see a doctor. However, if this plan were to be adopted the excellence of treatment would inevitably deteriorate. The experienced, well trained physician can quickly tell how serious a case is, whereas a paramedic might understandably misjudge the situation.

In spite of this, if we are to give universally free care to all, we may be forced to reorganize our system and still wisely make use of our medical brains. With a different type of organization we could certainly make use of nurse practitioners, medics, supertrained orderlies and operating room assistants. The whole system would have to be overhauled and organized for efficiency and reduced expense. However, the rising salaries of other levels of medical care personnel make one wonder whether this would really lead to a reduction in costs.

At the present time there have been great changes in hospital administration. About 25 years ago most hospital funds were concentrated on providing care and treatment to the patient. Now, because of our accreditation program, mention of which was made earlier in the debate, and because of the need for uniformity of high level treatment, efficiency experts have become hospital administrators and a great deal of money has had to be spent on documentation. This is always the trouble in trying to devise efficient systems—sometimes the patient suffers, though the statistics look good.

There is no doubt that central district hospitals looking after a large number of specialties are the most efficient way to care for the sick. Satellite hospitals could be built or continue to be used in the surrounding areas. Their work of necessity would be at a lower level. Where a hospital has been built and possesses enough land some of these convalescent, chronic and extended care buildings could very advantageously be built very close to the original acute hospital. There is what we are trying to do in my own constituency of Welland where the board was farsighted enough to build the hospital on between 15 and 20 acres of land. In these district hospitals a very well-endowed intensive care unit is a necessity and all the diagnostic tools must be available.

I feel sometimes that the promotion of private laboratories was a mistake. There has recently been a great deal of suspicion about the financial probity of some of these private laboratories. Ideally, all x-ray examinations and laboratory examinations would be done in the hospital or under hospital supervision, and where this does not take place private institutions have sometimes lent themselves to unscrupulous ordering of total body x-rays and total laboratory examinations which are not required. This increases the private institution's income, and for this reason alone hospital supervision should be mandatory.

In my speech, except perhaps for the last few remarks, I have tried to stay fairly close to Bill C-68, which I hope will pass quickly. I think it has been misunderstood and I am sure it has been wilfully misinterpreted. However, I think that not only must we examine suggestions for improved financing but we must allow for change in our medical care and hospital care systems. This evolution has to proceed constantly as we learn new methods.

On February 11 last the Minister of National Health and Welfare wrote a letter to the editor of the *Globe and Mail* in Toronto and very explicitly drew his attention to disparaging references about the national medical care program made in his paper. The minister said that from the editorial it would seem that experience of medicare has been so severe that the federal government is "trying to dump it totally on the provinces". The minister continued:

> I find this somewhat ironical since I have just written a letter to the Editor of the Ottawa *Journal* who . . . had accused me of totally backing down to the provinces and abandoning our efforts to restrain the rate of cost increase. Both points of view are, of course, totally erroneous.

That is the point I have been trying to make in my speech. The minister went on to say that he felt that the editorial writer had presented his data in a most misleading fashion. Further on the minister went on to say this:

> What your editorial writer does not point out is that in 1967-68 the health-related expenditures, which in 1975-76 amounted to approximately 30 per cent of the provincial budget, took up 31 per cent of the provincial budget. He perhaps overlooked the fact that the Ontario Hospital Services Commission had its own budget, separate from the Ministry of Health, in those days. To the $359 million shown in the Ministry's 1967-68 budget one has to add $412 million from the OHSC budget to compare with 1975-76. Also, before medicare a number of provincial departments had medical expenditures which, following medicare, were put into one pot and shown subsequently in the health department's budget. In any event the budget of the Ministry of Health today does not appear to take up any larger proportion of the current provincial budget that the health-related expenditures took up during the several pre-medicare years.

I do not intend to read the whole letter, Mr. Speaker, but I think it would be of advantage to members of the House to read it. For some reason I feel there has been a very stubborn and obtuse attempt on the part of all opposition parties in the House to misrepresent the government's policy on health care, and I deplore this. I do not see, and have never seen, why anyone in politics would misrepresent a case just for their own political gain.

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I listened with a great deal of interest to the speeches of the hon. member for Gloucester (Mr. Breau), the hon. member

for Winnipeg North Centre (Mr. Knowles), who has a tremendous amount of experience in the House, and of my hon. friend, the hon. member for Welland (Mr. Railton). Others who have contributed to the debate have shown there are still things to be said.

● (2130)

The President of the Privy Council (Mr. Chrétien) has just entered the Chamber. I remember in 1967 or 1968 he said we do not have enough money to institute the medical care act. It was postponed for a whole year. The present Secretary of State for External Affairs (Mr. MacEachen), who was then the Minister of National Health and Welfare, brought in this act shortly after. It was discussed at some length in this House.

In respect of the compromises concerning the situation we are in, together with the galloping expenses of health care and so on, it is interesting to note that a system was already in operation in the province of Ontario under the premier of that day, Mr. Robarts. It is interesting to note that 80 per cent of the people of the province of Ontario were covered through one insurance scheme or another. Prior to that the plan was run by the Ontario Physicians Services. The administration costs, if I remember correctly, were around 2 per cent. A fine new building was built, and at the time it was closed there was a reserve fund.

Today, out of the $7 fee a physician receives for his service, the government takes 10 per cent. No one really knows what are the administrative costs. One thing we do know is that every doctor is humbugged by papers and papers and by bureaucracy and bureaucracy, until a third of his time is spent filling out papers when he should be devoting that time to his patients. This is bureaucracy.

When Mr. Robarts introduced a health care bill in the province of Ontario to cover the 25 per cent of the population in that province who had some problems in meeting their medical bills he introduced a sliding scale by which those who had a certain income would make no payments, those in another income scale would make a payment of a certain percentage, and those in another income scale would have to pay the whole premium. This was all underwritten by the insurance companies. This plan was carried much more cheaply than the national scheme is carried today.

When the federal government introduced the national medical care bill it still taxed the people of the province of Ontario. That province was forced into the medical care plan, after the federal government had received some $125 million from the province of Ontario which was paid into the national medical care plan.

There is no way the federal government can escape the responsibility for the national medical care bill. The federal government forced this on the provinces whether or not they liked it, because the provinces were taxed for it in any event.

I was interested in the speech made by my young friend from Gloucester when he spoke about the doctors so kindly. Let me tell him from my lengthy experience that there is no way the doctors can be separated from the hospital or health care scheme. They work together. The hon. member made a very good speech, but he was completely wrong when he said we could separate the fields. I should like to tell the hon. member that young doctors, after they have been working for three or four years, expect a raise. At that time they usually can expect to have more patients and therefore have a higher income, but under the anti-inflation bill they are limited to an increase of $2,400. There is no way the hon. member can equate that with an increase of 13 per cent.

Mr. Breau: Mr. Speaker, would the hon. member permit a question?

Mr. Rynard: Certainly.

Mr. Breau: I cannot disagree with the hon. member that the two obviously are closely related, but will he agree with me that regardless of what close relationship there may be they are administered at the federal and provincial level by two separate statutes? My point was that this particular statute we are amending does not have a direct effect on the other hospital insurance program.

Mr. Rynard: I just want to tell my young friend there is no way these doctors can get more than $2,400 under the new regulations. The young person who is trying to build up a practice will be hurt. I want to be very clear on this point. I ran a clinic. We brought in young men. We trained them. As their ability increased they attracted more patients. I hope there will always be an incentive for them to learn, to do better work all the time and attract more patients.

In 1969 it was pointed out in this House by the then minister of national health and welfare that the rising costs were becoming a considerable factor. He pointed this out dramatically. Although he mentioned that it may be difficult to carry out the plan he said there were three ways in which it could be done. He mentioned a deterrent fee. Let me say to everybody in this House that if there was any reason for bringing in a national medical care bill it was so that the poor could obtain the necessary care. A deterrent fee works directly against that purpose.

We heard in 1969 that we would be in trouble. The various ministers of national health and welfare in this House and the ministers of health for the provinces have had seven years in which to find ways and means to face the problem of the rising costs. I want to ask what they have done. They have had closed meetings and other meetings. What have we heard? If one looks at *Hansard* one can see the replies to the questions that have been asked. We are told that the ministers are getting together and that the problem would be dealt with, but that has gone on for the last six years. Where do we stand today? What is the situation in respect of these problems?

We are facing a situation of deteriorating health care in a country that was known world-wide for its health care plan. I say to you, Mr. Speaker, and to all the members in this House that I, as one of the older physicians, regret this very much. In certain areas they are taking measures today which result in the reduction of the incentive to work which we used to have under the old scheme. The good relationship between the patient and the doctor is pretty well gone nowadays.

● (2140)

I want to ask the minister why some means and ways have not been found whereby people could be treated more cheaply. In the last seven years they have had the opportunity to work out schemes to provide by alternative methods the high cost care which now is cut off. I say to you, Mr. Speaker, that it does not seem fair or right that we should pay the money we are paying to have the administration, not only at the provincial level but at the federal level, cut down on services. It is not right that some system has not been worked out so that expensive health care which they are talking about now could be provided by cheaper means and the closing of hospitals would not be necessary. What we see now shows a completely immature knowledge in a field that they are not expert enough to handle.

I watch this, Mr. Speaker, and I look at my own province, the province in which this House of Commons is located. What about the house calls that the physician used to make? He used to go out into the country to visit his patients. Do you know, Mr. Speaker, that now there is nothing with which to pay for his mileage? He has to run his own car at his own expense and he is paid exactly the same as if he were making a call at the hospital. Which would you do, Mr. Speaker? The government had the opportunity—

An hon. Member: Why don't you ask Bill Davis about that?

Mr. Rynard: We are not talking about Bill Davis; we are talking about the national medicare bill.

Some hon. Members: Hear, hear!

Mr. Rynard: I say to you, Mr. Speaker, if they want a broadcast on this I will go across Canada and speak on this issue, even if they want to talk about Quebec, Nova Scotia or Manitoba. I will talk about these provinces because I happen to know what is going on there also. So if they want to broaden the field and speak about provinces other than the province of Ontario, I will tell them about the other provinces as well as about the province in which this House of Commons is located, a province which pays 38 per cent of all the taxes in Canada. I will tell them about that province having to cut down its health schemes, having to close its hospitals. I say that when that happens there is something radically wrong with this scheme which was brought in here in 1968. That is the point I am making.

I want to say that I have some records which indicate that people can be treated more cheaply in their own homes. I refer to one specific case of two people over 90 years of age who would have been placed in treatment homes but for the fact that a doctor interested in their case said, "We will treat these people at home, if possible." He went out a distance of ten miles to make his calls and he arranged for a lady to go to the house to look after these two patients in their own home at $100 a week. Do you know what it would have cost on an average in any hospital in Ontario? It would have cost around $100 a day. Do you know, Mr. Speaker, what it would have cost to have those patients in one of the treatment homes of which they have many in Ontario which provide extended care? It would have cost $20 a day.

The government assured people they would get health care, and the minister said that there would be no lack of health care across Canada. I would like to take them to hospitals where patients are not getting good health care. I was in an institution the other day and the bells started ringing, the buzzers from patients' rooms. I asked what the heck had gone wrong because you could hardly hear yourself. I was told that four of the people on the nursing staff had been dismissed to save money. Who is suffering? It is the patient. Who is overworked? It is the nurse and the nurse's assistant. That is the type of health care people are getting.

I ask the Minister of National Health and Welfare and the health ministers across this country, what in the name of heavens is wrong that they cannot jointly work out a system to provide less expensive health care which would allow people to be treated in homes where they could get home care? Surely they have a home care program starting and federal moneys are paid into this program, but what type of home care is it? Under certain conditions it is very good if there is someone else in the home apart from the patient. Under that program they will send a person to the home for eight hours, which is a help, but what if that patient is alone? Why can they not provide a 24 hour service? Would it not be cheaper to provide a 24 hour service than to pay $100 a day for an active treatment bed, as well as emergency expenses, because a patient has to go through the emergency ward to get to the active treatment bed?

They are closing down hospitals, cutting down services, and at the same time patients have to be moved from the hospitals that are being closed. Ambulances have to go out farther, yet they are cutting ambulance budgets. You know what happens when that budget is cut. Someone might lose his life because instead of the ambulance reaching him in half an hour he may have to wait two hours as a result of the call system which exists across Ontario.

Here is the situation in which we find ourselves. We have a deteriorating health care scheme, which is a problem of not only this parliament but a problem which this legislation imposes through an act of this parliament on all provinces across Canada, some of which had a better scheme.

I want to say this very definitely to my friend, the hon. member for Gloucester, that the provinces which will be hurt first of all are the poor provinces such as the Atlantic provinces. He knows it, and there is no way around it.

Some hon. Members: Hear, hear!

Some hon. Members: Shame!

Mr. Rynard: Yes, they will be hurt because the poor always get hurt. If you have lived long enough, you have seen that. I have lived long enough to know that and to understand that it is always the poor who get hurt, not the rich who have the ways and means to get out of it. It is the poor provinces that find themselves in that position. So I say to you, Mr. Speaker, that I hope this bill will be given the six months hoist which it deserves. Let us do a little common sense thinking about it and let the minister meet

provincial health ministers across Canada, talk to them, and jointly come up with ways and means which would not destroy one of the finest health schemes there is in the world.

● (2150)

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): Mr. Speaker, I thought this afternoon that hon. members across the floor had lost their tongues completely. I was therefore very pleased to see that tonight we are back in a debating position and have heard some very good speeches. I certainly must commend the hon. member for Simcoe North (Mr. Rynard); it is good to hear someone speak on a subject he knows something about and on which he can give some information.

Some hon. Members: Hear, hear!

Mr. McRae: I am concerned about some of the points he mentioned, particularly the doctors' problems with house calls and that kind of thing, and the lack of incentive. There is no doubt that there are areas of great concern and we should be doing more about them. Certainly if the $7 fee is still in effect that is considerably less than the fee of almost anyone else who comes to make a home service call. That is a very serious problem.

I should also like to mention the speech of the hon. member for Welland (Mr. Railton). He too reached into his experience in this area. A little later I shall come to the speech of the hon. member for Winnipeg North Centre (Mr. Knowles).

I speak as one who is a consumer of medical care and one who is concerned about the problems the government faces in meeting the high cost and the huge sums of money that are dispensed for health care. I think it is important after 12 days of debate on this issue that we go over again what the bill is supposed to do. There seems to be a great deal of confusion, some I am sure deliberate and perhaps some innocent, about the effect of the bill.

First of all I think it should be fully understood that this is a medical care bill only; it deals with doctors' fees and medicare, but does not deal with hospitalization. I think it is important that this be made clear. The bill says that in the year beginning April 1, 1976, the increase over the previous year will be limited to 13 per cent, for the subsequent year 11 per cent, and the third year to be negotiated, but will probably be 10 per cent. These figures are the increases in the cost of medical care that will be allowed by the federal government which pays, depending on the affluence of the province, roughly 50 per cent of the total cost. I think it would be a very cruel act to bring this particular bill in to limit these costs if we were not at the same time bringing in an anti-inflation program.

The anti-inflation program, with the setting up of the board and the control on wages, and the attempt to control prices, will work, and I think it is important. Putting this 13 per cent up against what we hope will be only 8½ per cent inflation in the first year that is covered, April 1, 1976 to April 1, 1977, and to say after that we would hope this would be down to 6 per cent or 7 per cent—say 13 per cent versus 8½ per cent or 8 per cent, or 11 per cent versus probably 6 per cent and 7 per cent and so on—I think this is an important aspect of the bill. It is being debated after we brought in the anti-inflation program, and I think that makes the bill a much more feasible proposition. I think we have to realize that the bill also allows for special considerations where there are significant population increases.

I should like to deal with this whole subject in terms of the two opposition parties. I should like to deal first with the New Democratic Party's position, which is the same as the Conservative party's position, but obviously for different reasons. I have a very warm feeling about the NDP, and before it the CCF, and their long term approach to the need for medical care and hospital care. I feel that the period between 1919-20 when these things were first mentioned and 1966 might have been reduced considerably had there not been a third party in this country, but rather had the progressive elements in that third party been a part of the Liberal party, the party mainly in power. The time element might very well have been shortened. That does not in any way detract from their efforts made over the years to bring about this result. There has been a genuine concern by the NDP for better health care, and I think it has been justified.

This government brought in the medicare program and has made great improvements in medical care. We have allowed the cost to rise in ratio well above the combination of the gross national product and the inflation rate over the years. This has been a good thing because it was necessary to improve medical services, and an over-run of this kind was absolutely necessary.

One of the consistent themes that the NDP has used in this House on many, many issues is its constant concern about the high level of health care, social care and so on, which inevitably means increased cost. I think the big difference between that party and our party in this respect is not in our concern but rather in the fact that we are in power. We form the government and we have to be responsible; we have to impose the limit on how much can be spent.

In terms of cost sharing arrangements with the provinces there are some very serious problems. One problem is that if we offer to pay 50 per cent, and the provinces do the spending, we do not have much control over what they spend. If they spend $100 million we will have to put up 50 per cent, and if they spend $200 million we will still have to put up 50 per cent. While it was necessary to set up these cost-sharing schemes, the plan is creating some great overrun for the federal government.

The Acting Speaker (Mr. Turner): Order, please.

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BUSINESS OF THE HOUSE

Mr. Sharp: Mr. Speaker, I rise on a point of order to deal with the business of the House. The last time I was asked about this I said that following the conclusion of debate on Bill C-68 we would probably revert to discussion on second reading of Bill C-83, but I entered a qualification that it might be desirable instead to take under consideration on Bill C-89. I want to announce that, after disposing of Bill C-68, we will take up Bill C-89 which relates particularly to the appeal procedures in the Anti-Inflation Act.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

AIR TRANSPORT—REASON FOR NOTICE TO PILOTS TO EXERCISE CAUTION WHEN FLYING OVER QUEBEC

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in a release concerning bilingual air traffic services dated February 25, 1976, the Minister of Transport (Mr. Lang) used the first page to state, in capital letters and underlined, that there has not been one validated incident of a near miss which could be attributed to the use of a second language. I contend that the minister and the government are playing with the lives of pilots and air passengers when they put the demands of Francophone air traffic controllers and pilots before safety. As a matter of fact I have reason to believe that even the minister's release is a concerted attempt to mislead the public and placate the vocal federal Quebec Liberal members.

I have been in consultation with the Canadian Air Line Pilots Association. They inform me that in the past 15 months they have reported 20 incidents of close calls in the air in Quebec. To Mr. W. M. McLeish, director general of civil aeronautics, these close calls involved confusion in language, and personality conflicts between French and English, yet not one of these reports has been acknowledged by either Mr. McLeish or the department. I should like to challenge the minister on his statement that not one incident has been validated; because if that is the case one wonders why the reports were not acknowledged. Furthermore, if investigations did take place, I ask the minister to make them public.

The government claims that those who object to bilingual air traffic services are too emotional. If being concerned about the safety of people is being too emotional, I plead guilty. Safety has been cast aside for political expediency. In the few short moments I have to speak I wish to touch upon the weaknesses in the government's arguments.

Though the official language of the air has been English, the government has bowed to political pressure and carried its bilingualism program into the air. This is a safety hazard unacceptable to the Canadian Air Traffic Control Association. If these two major organizations are opposed, why has the government persisted in carrying out bilingual air traffic services? It has chosen to ignore both traffic controllers and pilots in favour of vocal minority.

The minister leans heavily on the argument that certain European countries use two languages in air traffic control but ignores the fact that English is used as the international air language. He fails to explain why a second language is needed in Canada. Until a few short months ago we operated in the international language. Furthermore, the minister avoids altogether the fact that air traffic in Europe is not nearly as great as in Canada. The minister is being irresponsible in refusing to listen to reason.

As a concerned party I have been in consultation with pilots and their association and they have expressed serious reservations about the government's seeming lack of concern about safety. Pilots operating in a busy airspace such as the Montreal vicinity cannot afford language confusion which would create dangerous gaps and uncertainties. In such a case the lives of people would be in danger, and I really wonder what the government's excuse is going to be in the event of such a terrible tragedy as an air crash.

For the record I should like to point out some of the dangers involved in the introduction of a second language into aviation, as detailed by professionals. They include, first, the elimination of some safety redundancy built into the existing system; second, added complexity and increased workload for controllers; third, additional communications on already overloaded radio frequencies; and, fourth, unilingual Francophone pilots operating in English only controlled air space. In light of these and other dangers it has now become clear that the demands of Francophone pilots have taken priority over safety. Even the Bilcom task force, which found that an overwhelming majority of the aviation community saw no need for bilingual communications, has gone unheeded.

It is clear, Mr. Speaker, that all the reports and documents in the world are not going to sway the government's efforts to win political support at any cost, including safety. It is a sad day when one has to run the risk of being branded as a bigot to ensure that common sense and safety prevail.

In closing, I was informed just today that Air Canada crew members, such as stewardesses, are refusing to bid for trips into Montreal because of the dangerous bilingual traffic control situation. Also, as I pointed out two weeks ago, notices had been posted at Canadian airports by the Canadian Air Line Pilots Association warning pilots to exercise extreme caution when flying into Quebec. All in all, Mr. Speaker, it is a very sad state of affairs for Canadian air travellers and crews.

Mr. Ralph E. Goodale (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the statement in the hon. member's question of March 5 appears to be an extract from a news report of a situation which occurred in the Montreal area control centre in December, 1975. It is to be remembered that at that time two air traffic controllers had been suspended for the improper use of ground to ground communication procedures. Consequently the Minister of Transport (Mr. Lang) decided that the pecuniary penalty attached to these suspensions should be reduced with the view that this would improve the situation relative to a dispute between certain controllers in the Montreal area control centre.

Apparently the Canadian Air Line Pilots Association, for their own reasons, decided that there was a situation existing at that time in the Montreal area control centre which prompted them to issue a notice directing their members to exercise extreme caution when flying into and within the province of Quebec. There is no evidence of which I am aware that in the interest of safety it was necessary for the Canadian Air Line Pilots Association to take such action.

May I simply conclude, Mr. Speaker, by repeating the essential concern of the Ministry of Transport with the

matter of air safety. It is not the thrust of any policy of the Government of Canada to cause a deterioration in Canada's enviable record of performance for safety in the air.

THE CANADIAN ECONOMY—ANTI-INFLATION PROGRAM—POSSIBILITY OF INCLUDING OIL PRICES WITHIN GUIDELINES

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I was not surprised in answer to my question of March 9 on whether Canadian crude oil prices would come under the Anti-Inflation Board that the Minister of Finance (Mr. Macdonald) gave a firm no, even though the Liberal premier of Nova Scotia had recently said that it was only political expediency that kept the federal government from doing so.

In answering the second part of my question as to whether substantial increases in equalization grants to the province of Nova Scotia, as well as maintenance of the present level of oil subsidies, would continue, the minister interpreted the question to imply that I was looking for a special Nova Scotia oil price as opposed to that payable by the rest of Canadians.

We are, of course, well aware that the federal government is already equalizing oil prices across the country at lower than the world price. The minister, however, should be aware that despite this there has been a 50 per cent rise in the cost of electricity in the province of Nova Scotia in 1975. If the federal government allows a further increase of, let us say, $2 for Canadian crude oil at the wellhead after July, which would make it about $10 a barrel, then we in Nova Scotia could well see another 50 per cent increase in the cost of electricity in the province of Nova Scotia by 1977—especially when that province's long-term and exceptionally favourable contract with Imperial Oil runs out at the end of this year. That company provides 30 per cent of all the oil used in Nova Scotia.

We know that the federal government desires to push up considerably the price of Canadian crude by July in order to fulfil its policy of allowing the price of Canadian crude to tend gradually to equal the world price. This price, of course, is not a market price but is a monopoly price. Because it is a monopoly price it should not, in my opinion, be used as a criterion for the allocation of our petroleum fuel resources. Amongst other things, it sets a dangerous policy precedent.

The Canadian cabinet as well as the American government in this connection should give the plan of Professor Morris A. Adelman of the Massachusetts Institute of Technology serious consideration. He has long been an advocate of a government oil buying program, and has proposed a government purchasing agency which would control all oil imports. I recently forwarded to the finance minister an article by Professor Adelman in which he is advocating a system of sealed bids by individual oil producing countries, which would not in itself destroy the OPEC monopoly but could be a quick and effective means of bringing international oil prices down.

● (2210)

I am sure the Secretary of State for External Affairs (Mr. MacEachen) and the premier of Nova Scotia, have brought it to the attention of the government that in every part of the province of Nova Scotia there are increasing signs of citizen anger in the form of protest meetings and more permanent protest organizations. I honestly fear that some of this pent up anger can lead to very ugly recriminations.

The Secretary of State for External Affairs at a recent provincial Liberal gathering held in Halifax was quoted as asking the provincial government officials to avoid "trying to foment anger toward Ottawa". But what can one do when people using electrical heating, pushed at them only four or five years ago as the cleanest and cheapest way to heat a home, are reported as receiving bills for two months as high as $350?

In my constituency I have widows and pensioners on low and relatively fixed incomes coming in to see me about their electrical power bills with despair on their faces, and sometimes with tears in their eyes.

We know that the per capita income figure for Nova Scotia is often quoted as 75 to 78 per cent of the Canadian average, and that is the best of any province in the Atlantic region. The latest official figures though for Glace Bay, the largest town in my constituency, reveal that it is only 54 per cent of the Canadian average. New Waterford, the next largest town, is only 48 per cent of that average, and Cape Breton County 55 per cent.

The minister is probably aware that about 55 per cent of Nova Scotia power is generated from oil, with another 30 per cent generated by coal the price of which, through Devco, is contractually tied to the present subsidized price of oil. Thus, during last year, for example, Devco's coal division showed a deficit larger by $10 to $15 million because of this arrangement. In view of this situation, and because of the heavy unemployment in Cape Breton, the Cape Breton Development Corporation should be given the money to start two new coal mines in the area, one at Lingan in the New Waterford district and the other at Donkin in the Glace Bay region, for the generation of power. One could be immediately started in 1977 and the other, with some extra effort, by 1978. We should be taking advantage of the fact that Cape Breton coal is now not only competitive with oil for thermal power production in Nova Scotia but has the added advantage of an assured supply in case of another oil embargo.

The federal government should as well, especially in the case of Nova Scotia and Prince Edward Island, maintain in the interim a decent level of subsidies against imported oil and make additional funds available for Nova Scotia by way of equalization payments that could be earmarked for reducing the power bills of low income home owners and those special type of businesses whose power costs are a substantial part of their total costs. The provincial government on its part as a minimum concession should forgo building expensive sport complexes. and any other needless amenities in the Halifax-Dartmouth area so as to keep down electrical costs throughout the province.

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I have been unable to find any reference in the *Globe and Mail* as was mentioned by the member for Cape Breton-East Richmond (Mr. Hogan) in his question. However, I do understand that Premier G. A. Regan, when speaking in support of the

government's anti-inflation program during debate in the Nova Scotia House of Assembly in Halifax, did make reference to the fact that crude oil prices are outside the ambit of the Anti-Inflation Act. This is true, Mr. Speaker, simply because petroleum prices were already subject to control under the Petroleum Administration Act when the anti-inflation program was introduced.

The appropriate level of petroleum prices has been the subject of much debate in this House, at federal-provincial conferences, and by most Canadians over the past several years. They have been and continue to be subject to control under the Petroleum Administration Act. The desire for low prices must be balanced against the need to ensure adequate supplies. The provisions for oil compensation payments, which in the coming fiscal year (1976-77) are estimated to be $1.41 billion, are a unique effort to provide that balance. These controls are consistent with the anti-inflation program, and it appears inappropriate to subject petroleum to two controls where one is sufficient.

I might add that among the intended changes in the anti-inflation guidelines announced one week ago, the relationship between the guidelines and the Petroleum Administration Act is being tightened to ensure that prices for petroleum products will clearly be subject to one or the other act. Crude oil prices are already subject to control under the Petroleum Administration Act, and there is neither the need nor intention to bring them specifically under the anti-inflation guidelines.

FINANCE—EFFECT OF RAISING BANK INTEREST RATE

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question was raised on March 8 when I asked the Minister of Finance (Mr. Macdonald) about the recently announced increase in the bank rate. I also asked him whether he would indicate what impact he felt this increase would have on mortgage interest rates in Canada and the cost of borrowing for the average Canadian, and whether he would indicate what was the purpose of the increase in the bank rate.

In general the minister gave a most unsatisfactory answer, and I believe there is no alternative but to face the fact that we are heading for a credit crunch in this country. I believe it is necessary for the minister to bring in a new budget now, not in May. I notice that in commenting in committee, to the press, and also in the House, he has got into the habit of saying he cannot make any observation concerning various economic matters as it is a budgetary point and he feels the answer should be delayed until the budget. That is just a stall. The nation deserves answers to some of the critical questions now before us.

I refer to questions such as why should we be literally in first place among the western industrialized nations so far as our bank rate is concerned? In fact, Mr. Speaker, there is no other country in the world at the present time with a higher rate than our present bank rate, with the exception of Brazil. I point out that in Britain, which most people think is in serious shape, its bank rate has not risen above 9 per cent, where it is at the present time. Italy, whose central bank is generally regarded to be one of the weakest of the industrialized nations—in fact that nation was close to bankruptcy last year—got through its dilemma without raising its bank rate beyond 8 per cent.

In short, Canadians deserve some answers from the minister. For example, why should we have a Canadian prime rate of 10¼ per cent at the present time, when the American prime rate is 6¾ per cent? On December 31 the prime rate in the United States was 7¼ per cent but it has gone down at least half a point since the end of the year. The Canadian prime rate at that time was 9¾ per cent but has gone up half a point since then.

I could cite various examples of U.S. bond rates, treasury bills, and various other debt obligations carrying interest coupons at the present time of 3 per cent, even 4 per cent, lower than those in Canada. One of the contributing factors to high interest rates in Canada is the high rate of government spending. I believe that when the government talks of restraint it is simply misleading the Canadian public. There has been no restraint evidenced by the government to date. In fact, appearing before the finance, trade and economic affairs committee last Tuesday, the Minister of Finance finally broke down and admitted that the cash drain or deficit in Canada, so far as the federal government is concerned, will be $5.5 to $6 billion in the current year. I asked him what he anticipated to be the drain in the coming fiscal year, 1977, and he startled me, frankly, by saying it would be something like that, though it was a budgetary matter and he would not be specific. In short, Mr. Speaker, in two years we will have a drain in this nation of between $11 billion and $12 billion, and this is one of the factors causing the increase in our bank rate.

● (2220)

Second, I would point out the impact of the increase. How many people realize, for example, that in the fiscal year 1970 the total interest in annual amortization cost to the federal government of our national debt was $1.7 billion? In the estimates now before us for 1977 the cost has gone up to 4,641,000,000. That is an increase of 271 per cent in a period of seven years. This is the interest load the government is inflicting upon the Canadian people either through the higher rate structure or increase of debt.

Again this impact is felt by the average home owner in this country. I pointed out that in the United States the rate is about three percentage points below ours. People there are able to write off their interest on mortgages and chattels against their income before they calculate income tax. Here we do not have that privilege. The net result is that in the United States a person can now have a $40,000 mortgage with a 25-year amortization period with monthly payments of $331 per month, whereas in Canada the monthly payment is almost $100 higher, $412 a month for the same size mortgage on the same amortization over a 25-year period. An average Canadian must now pay $123,000 to clear off a $40,000 mortgage, whereas the average American with a $40,000 mortgage would pay $99,000.

I think the government should become a little more honest with the Canadian public concerning the dilemma it is in. By increasing the debt charges in this nation by a half point recently the government has increased the overall cost to Canadians in respect of borrowing money by $350 million approximately. I calculate that figure simply based on the $70 million outstanding debt insofar as our

Canadian banks are concerned at the present time. Such an increase in interest rates is inflationary, not deflationary.

The Minister of Finance's contention that he is effectively restraining the growth of our money system by the increase in the interest rate is absolute nonsense. Sure; that perhaps has an indirect slowing down on the demand for money but it does not have the effect of increasing the reserves that are required by the chartered banks with regard to their loan activity. That is the effective way to bring monetary expansion in line.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

[*Translation*]

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): Mr. Speaker, following the announcement of the increase in the bank rate from 9 to 9½ per cent, made on March 5 by the Bank of Canada, chartered banks announced similar increases in their prime rate which is now established at 10¼ per cent. At the same time, banks increased their rates on savings accounts by at least ½ or 1 per cent. It is still too early to know the full impact of this increase on other interest rates, particularly on mortgages and personal loans.

As far as the personal loans rate is concerned, I would like to underline that this rate does not necessarily always vary according to the same pattern as the banks' prime rate. So when we consider the movement of interest rates from early 1973 to the end of 1974, we see that the consumer loans rate increased by only 1 to 1½ per cent, while during the same period the prime rate went up 5½ per cent. There may be several reasons for the difference between these two markets, including—not least—administrative matters concerning banks.

It is enough, within the ambit of this discussion, to recall that the personal loan market may not be affected by rising prime rates in the same way as business loans are. The rate for consumer loans now authorized by the banks stands around 13½ per cent.

Mortgage rates, on the other hand, respond more readily to the variations of the basic bank rate and we can expect some increase in this field. This is because mortgage rates are generally determined by the rates which lenders must pay on term deposits which are their main source of funding. Now banks have not yet announced changes in the interest rates on term deposits. On the other hand, a few trust companies have already announced rate increases in their guaranteed investment certificates. Those increases vary from ¼ of 1 per cent to ¾ of 1 per cent. Those companies have raised their mortgage rates by ¼ of one per cent, which means they now reach the 12 per cent ceiling they had reached recently. Therefore it is too early to predict at what exact level those mortgage rates will level off.

I would like to point out two interesting facts concerning this recent increase in the bank interest rates. First, we must rejoice at the fact that some banks have reestablished a special rate for small concerns. This lower prime rate for small concerns allows them to better face the effects of higher interest rates. It is to be hoped that all the banks will reestablish this special rate.

Second, I would like to draw the attention of the House on the fact that some banks have already announced increases in interest rates paid on savings which exceed the increases in interest rates charged on loans, thus reducing profit margins. I hope that the anti-inflation program of the government has contributed to this reduction of bank profits to the benefit of those who make savings.

To conclude, Mr. Speaker, although we may have to wait a little longer before we have a true and complete picture of the repercussions of the recent increase in interest rates, we can already notice some encouraging signs concerning the reestablishment of a special treatment for small concerns and a decrease in bank profits.

Motion agreed to and the House adjourned at 10:29 p.m.

HOUSE OF COMMONS

Tuesday, March 16, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST FOR INVESTIGATION OF COMMISSION'S ADMINISTRATION—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, pursuant to Standing Order 43, I ask for the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

Considering that since 1971 the Unemployment Insurance Commission has been applying certain administrative practices concerning delays in applications for benefits which have been ruled illegal by the Federal Court of Canada, to disentitle thousands of jobless workers; and considering that the Unemployment Insurance Commission bases its decisions on a set of internal regulations which have never been sanctioned by law, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House take all necessary steps, as quickly as possible, to set up a royal commission of inquiry on all administrative practices of the Unemployment Insurance Commission, to prevent jobless workers being denied unemployment benefits.

Mr. Speaker: Order, please. The House has heard the motion of the hon. member. Pursuant to Standing Order 43, such motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent, therefore the motion cannot be put.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

REQUEST THAT SOLICITOR GENERAL REPORT ON A NUMBER OF INVESTIGATIONS—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43 involving various investigations and related matters of general concern to the House and the country. I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That the Solicitor General, assuming the Prime Minister has taken off the Solicitor General's muzzle which was applied last December 4, report to the House on motions as soon as possible on the status of the myriad of investigations which have been of continuing concern for many months, such as the SIU, Hamilton Harbour, the Society for the Study of the Heritage of Canada, Sky Shops, Mirabel, the Olympic Village, the Report of the Marin Commission of Inquiry, travel agency irregularities and such other investigations and matters with which the Solicitor General has had time to familiarize himself in between prison breaks, parole violations and the development of his peace and security program.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The House has heard the terms of the motion pursuant to Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be put.

* * *

● (1410)

CAPE BRETON DEVELOPMENT CORPORATION

SUGGESTION CORPORATION COMPLETE NEGOTIATIONS WITH MINERS WHO WERE FORCED TO RETIRE—MOTION UNDER S.O. 43

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I should like to move a motion of urgent and pressing necessity under the provisions of Standing Order 43. In view of the fact that recommendations have been made to this House by both the Justice and Legal Affairs Committee and the Committee on Regional Economic Development that a financial settlement be made by the Cape Breton Development Corporation with the preretired miners who were forcibly removed from their employment in the coal mines of Cape Breton, I move, seconded by the hon. member for Cumberland-Colchester North (Mr. Coates):

That this House now direct DEVCO to complete its negotiations with the miners affected by this forced preretirement in the shortest period of time.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Such a motion pursuant to the provisions of Standing Order 43 can only be presented for debate with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

[*Translation*]

ENERGY

SUGGESTED INVENTORY OF SOURCES—MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, I thank you for the opportunity to move a motion on an urgent and important matter under the provisions of Standing Order 43.

In view of the present world-wide situation concerning the possibility of a shortage of energy and considering that we in Canada are badly informed on our real energy potential, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the Department of Energy, Mines and Resources draw up an inventory of all our energy sources now being used and make an appropriate study on the new sources which could be discovered and tapped efficiently.

Mr. Speaker: The House has heard the terms of the motion of the hon. member. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be put.

[*English*]

Order, please. Before proceeding with the calling of oral questions I should inform the House that I have received a written notice pursuant to the Standing Orders of the intention of the hon. Minister for Consumer and Corporate Affairs (Mr. Ouellet). to raise a question of privilege today.

Some hon. Members: Hear, hear!

Mr. Speaker: It has been suggested in the terms of the notice that has been given to me that a more orderly proceeding, and perhaps because of a possible influence on today's question period, would be that the raising and dealing with the question of privilege by the hon. Minister take place prior to the question period as opposed to after it.

It is clear that this decision does not rest with the Chair; it is a decision that can only be taken by this House. In attempting to decide whether the House gives its consent to dealing with that, and perhaps in the consideration of having a more relevant question period, the House would want to know the intention of the Chair with respect to the protection of the question period that might follow the remarks of the minister.

With that in mind I would assume it would be in the best interests of the House that the Chair should agree on a 45 minute question period to follow whatever might take place after the question of privilege. May I ask if the minister has the consent of the House to raise his question of privilege at this time?

Some hon. Members: Agreed.

Mr. Speaker: The hon. Minister for Consumer and Corporate Affairs (Mr. Ouellet).

[Mr. Speaker.]

[*Translation*]

PRIVILEGE

MR. OUELLET—REASONS FOR RESIGNATION

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, since my appointment as Minister of Consumer and Corporate Affairs, I have concentrated all my energy to the defence and protection of consumers. It has been a major priority not only for me, but also for the government as a whole. A key element in this battle for consumer rights has been to expose and prosecute cartels and combines. And so it was, for instance, that the fight against sugar companies has taken up part of the efforts of my department in recent years. Hon. members will understand my surprise and disappointment when these companies were recently acquitted by Mr. Justice Mackay.

Following the comments I made on that occasion, Mr. Justice Mackay cited me for contempt of court and a few weeks later, I was found guilty of that charge by Associate Chief Justice Hugessen. Mr. Speaker, I immediately appealed that decision. Both during and after the trial, I refrained from any public statement on that case. Recently, as a result of a clearly calculated indiscretion, my case has given rise to a highly partisan political debate.

It has become quite clear to me in the past few days that my most basic rights, not so much before the courts, but especially before the public at large, as a defendant appealing a decision, could be seriously jeopardized by that political debate, while even my own resolution to keep silent—which goes back to the beginning of my trial—is questioned and used against me by some people. I repeat, I strongly intend to keep that resolution.

I think however that in the case now under appeal, it is not in my interest, as a defendant, nor in the interest of our judicial system that my appeal be heard in an atmosphere of political partisanship which some people, inside and outside the House, have deliberately created. I have no doubt that the Quebec Appeal Court can remain above those political considerations. Still, out of respect for the judicial system, I wish to do what I can to let justice take its course in the best possible climate. I will humbly submit to the decision of the court, whatever it may be, but in the meantime I intend to use every legal recourse that is available to a defendant before the courts.

● (1420)

Secondly, the debate over my case is very likely to jeopardize seriously my efficiency and the value of my work as Minister of Consumer and Corporate Affairs. Since my appointment, I have applied myself to proving to consumers that I was completely dedicated to their interests. It appears essential to me that consumers should never at any time be left to feel that the Minister responsible for their interests would in any way reduce his efforts on their behalf just to avoid legal or political problems. On the other hand, it seems just as important to

me that the minister should never leave himself open to charges of using the interests of consumers as a political screen. There once again, the debates of the last few days and the preposterous comments voiced by some opposition members while listening to me indicate clearly that they intend to make my task very difficult, if not impossible, at least until my appeal has been heard. I believe there are too many things to do, too many urgent tasks to accomplish on behalf of consumers.

Mr. Speaker, I want to say that when my case was first brought to court I asked for the advice and counsel of several colleagues and friends, some who are lawyers and some who are not. In particular, I discussed my case with the Minister of Public Works. I emphasize that I appeared before the court pursuant to a summary proceeding. In fact, I was not really opposed by another party; in this case, the court itself was to decide whether I had offended it. I asked the Minister of Public Works whether he could help me, without prejudice to my rights, to determine from Mr. Justice Hugessen what type of apology would be appropriate under the circumstances. I solemnly declare that I have never tried, either directly or indirectly, to exert undue influence on a judge of the Quebec Superior Court, in any case whatsoever, including most definitely the one in which I am involved. Everyone is aware of the integrity and high moral qualities of the Minister of Public Works. I deeply regret that his actions, which he took, in fact only because he is a gracious man, caused him so much embarrassment and unpleasantness which he certainly does not deserve. I want to apologize publicly to him for that.

Both as a citizen now before a court of appeal, and as a minister of the Crown, I cannot properly fulfill the duties I accepted as Minister of Consumer and Corporate Affairs. Consequently, this morning I tendered my resignation to the Prime Minister (Mr. Trudeau) and he, at my express request, accepted it. I hope that, as an ordinary member of Parliament, my trial will proceed free from all political controversy and I trust that those, in the House as well as outside it, who for their own ends took advantage of these circumstances to carry this matter out of the judicial sphere to make a political football of it, will at least have the common decency to respect my most basic rights.

In conclusion, Mr. Speaker, may I assure all Canadians whom I served in the last few years that, as a back bencher, I shall carry on with the same determination the struggles I led as a minister.

With the permission of the House, Mr. Speaker, I should like to table the correspondence exchanged between the Prime Minister of Canada (Mr. Trudeau) and myself.

[*English*]

Mr. Speaker: Order, please. I think we have to be clear about the procedures we are following. We have received, following notice, remarks on a question of privilege which although very important, do not in fact constitute a question of privilege within our rules. In any event, it has not been followed by a motion. The Chair would have to hold that no question of privilege exists. I am not concerned about that. What I am concerned about is that in the interests of balance and equity that comment be made in turn by others. However, there must be some limit. I would presume to suggest that in fairness a brief comment might now be received from the leaders of each of the parties and then we ought to get on with the question period.

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I shall endeavour not only to be brief but to make my comments in a much less partisan spirit than that which, unfortunately, characterized the statement by the Minister of Consumer and Corporate Affairs (Mr. Ouellet).

Mr. Sharp: The former minister.

Mr. Clark: The former minister. I appreciate that intervention. I trust that the comment made by the Deputy Prime Minister (Mr. Sharp) can be taken as an indication that in this case the resignation has been accepted. I should also like to express the hope—

Mr. Speaker: Order. I am reluctant to interrupt the Leader of the Opposition (Mr. Clark), but to clarify the position, may I say it was my understanding, if I heard the minister's remarks correctly, that he said the resignation had been not only tendered but accepted.

Some hon. Members: Hear, hear!

Mr. Speaker: In general terms, because of the importance of the announcement, I might observe that the hon. member for Papineau (Mr. Ouellet) was listened to, in general, with good attention and I think the same ought to apply to the comments by leaders of the opposition parties.

Mr. Clark: I think I can say, without elaboration, that we on this side of the House expect and hope that this will not turn out to be a conditional resignation, but one which will prevail. The Prime Minister (Mr. Trudeau) declines to give that kind of assurance.

Mr. Trudeau: I am waiting for your question.

Mr. Clark: I am moved to comment that it was at least irregular for the hon. member for Papineau to use the occasion of his statement to try to divert attention from the highly important question of the propriety of the conduct of ministers of the Crown in this case—

Some hon. Members: Hear, hear!

Mr. Clark: —and to try to pretend that there was some motive here, either partisan or personal in his case, for raising, as I and others in my party have done, questions as to the propriety of his conduct and the conduct of other ministers of the Crown in their relations with the courts. I think it is significant that we should now have an admission that there were conversations between ministers which led to an intervention with a judge who was hearing a case in which the former minister of consumer and corporate affairs was involved. I simply make the point, in passing, that the opportunity to have that kind of conversation with ministers of the Crown, in expectation that an intervention might follow, is a privilege which is not available to the ordinary Canadian involved in processes before the courts of the land.

Some hon. Members: Hear, hear!

● (1430)

Mr. Clark: The only further comment I wish to make on this point is that since the questioning in this House has led the former minister to the position which he has taken, and has led the Prime Minister, in this case at least, to accept that resignation, and since it has also resulted in an admission by the hon. member for Papineau, the former minister, that there were indeed conversations with other ministers that led to an intervention before the courts in a case in which the minister was involved, we on this side of the House are going to continue to press for a complete and full indication of the nature of the involvement and conversations of the former minister of consumer and corporate affairs with other former and present ministers who might have been involved in what the Minister of Public Works (Mr. Drury) has admitted was an intervention in the processes of justice in the land.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in informing the House of his resignation under circumstances that might well have been appropriate for the hon. member for Papineau (Mr. Ouellet) not to castigate members of the opposition for indulging in partisan politics when they were precisely practising their profound obligation as opposition members in a parliamentary system—

Some hon. Members: Hear, hear!

Mr. Broadbent: —what the minister's unfortunate need to submit his resignation illustrates today is that the Parliament of Canada can sometimes be effective; because if it had not been for the vigorous pursuit of this issue by members of all parties on this side of the House—not on the other side of the House—I submit to Your Honour we would not have had this resignation today.

The second point I should like to make is that if the hon. member for Papineau has acknowledged that he did a wrong thing in speaking to the Minister of Public Works (Mr. Drury) and urging him to intervene on his behalf—because that is what is involved; let us call a spade a spade—and now after all these days he has submitted his resignation, which has been accepted by the Prime Minister (Mr. Trudeau), I ask Your Honour, where does this put the Minister of Public Works? If it is wrong to recommend that someone rob a bank, it is even more clearly wrong, in the context of the law, to carry out that advice. The Minister said in the House yesterday that he accepted responsibility for what he did. I submit that following submission of his resignation and acceptance by the Prime Minister, the Prime Minister himself has some explaining to do in regard to why he can accept one minister's resignation who advised a course of action, but has not accepted another minister's resignation who carried out that advice. We will also continue in our insistence that if the Minister of Public Works does have integrity on this issue, he has an obligation to submit his resignation once again, and that the Prime Minister must accept it.

Let me go back to the need for a public inquiry. If anything, it seems to me that the need for an inquiry is even more apparent today. The Prime Minister has been saying for some days that all the facts are known. That is strange, Mr. Speaker, because we have just had a new fact presented today that we did not know about. We have had an admission, for the first time, which was not on the public record.

There is a serious issue here in terms of the tradition of parliamentary democracy in Canada. I can think of the Favreau situation in this House some years ago, and there have been others in Great Britain having to do with the importance of cabinet responsibility. How is it that the Prime Minister knows that the course of action taken by the Minister of Consumer and Corporate Affairs actually did take place? Did he know some days or weeks ago? If he did, why did he not demand the minister's resignation at that time? If he did not know, then what was the nature of the conversations which took place between the former minister and the Minister of Public Works?

In conclusion, Mr. Speaker, the opposition is not going to be bought off with the kind of sop we were given on Friday. The issue is still as serious as it was. There are almost as many unresolved issues in this matter as there were 24 hours ago, and we shall continue to pursue them.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I am sorry that the Minister of Consumer and Corporate Affairs (Mr. Ouellet) has resigned because of preceding incidents. Still I think this regretful situation has its good side in that it shows to cabinet members that the judiciary power is one thing and the executive power is another. This shows that a minister, whoever he is, must not interfere in family quarrels whatever the circumstances. Under that aspect, I think that every minister will remain aloof in the future and that this can be taken as a lesson.

As for the allegations that the opposition is playing politics with this issue, Mr. Speaker, I would say that when the Minister of Consumer and Corporate Affairs was summoned before the courts, he was then charged with contempt of court by Mr. Justice Mackay. But nevertheless we must be fair. After the Minister of Consumer and Corporate Affairs took action against the sugar companies concerned and charged them under the combines legislation, when the decision of Mr. Justice Mackay was made public, I think that every body in this House, whether Tory, Liberal, NDP or Social Crediter, was quite surprised and disappointed indeed.

Some hon. Members: Hear, hear!

Mr. Caouette (Témiscamingue): These multinational corporations had indeed been attacked on many occasions, especially by my friends from the NDP, who viewed them as a terrible combine. The Conservatives had the same impression and so did the Liberals and us.

Some hon. Members: Hear, hear!

Mr. Caouette (Témiscamingue): For my part, Mr. Speaker, even though a judgment has been rendered, if the case is on appeal, as a federal member of parliament I still believe there is a sugar combine in Canada.

Some hon. Members: Hear, hear!

Mr. Caouette (Témiscamingue): That is why yesterday my colleague from Roberval (Mr. Gauthier) asked the

Minister of Justice (Mr. Basford) whether a Canadian citizen, a member of parliament or anyone else, in a democratic country as ours, where one may express his feelings, may voice his disappointment about a judgment rendered by any judge across the country.

Some hon. Members: Hear, hear!

Mr. Caouette (Témiscamingue): I believe that in the future, in order to avoid all these misunderstandings, it would be wise for a government not to appoint a judge through political channels or for services rendered to a political party but rather to contact directly the bar in order to be sure to have judges safe from influences that can arise here and there.

Anyhow, Mr. Speaker, the Minister of Consumer and Corporate Affairs (Mr. Ouellet) had a lesson; he is no longer minister but member for Papineau. Other ministers might have in the future temptations which they must not succumb to if this situation is not to be repeated in the House of Commons.

● (1440)

[*English*]

Mr. Speaker: Order, please. Before beginning the oral question period I think I should suggest that the oral question period should conclude at 3.25. I would also remind hon. members that the order of business for today concerns the subject matter that has been so much before the House in the last few days. It would, of course, be technical in the extreme for the chair to attempt to intervene or to stop questions relating to that subject matter. However, I would ask hon. members to bear in mind that it is the order of the day and, while some questions might be allowed to better prepare for the debate this afternoon, at the same time it would be appropriate after these many days to recognize a number of members today who also seek the floor to put questions on other matters that are of concern to them. I think we would have to watch for them.

ORAL QUESTION PERIOD

[*English*]

ADMINISTRATION OF JUSTICE

REQUEST FOR STATEMENT ON CONTENT OF CONVERSATION BETWEEN MR. DRURY AND JUDGE HUGESSEN

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I should like to address my question to the Minister of Public Works who has so magnanimously over the last ten days accepted the blame for somebody else.

[*Translation*]

Mr. Speaker, I have a question for the Minister of Public Works.

The Associate Chief Justice of the Superior Court, Justice Hugessen, has told the Chief Justice that he had the impression that the minister had called him, as reported, in fact, on page 11779 of *Hansard* for March 12, 1976. Here is what Mr. Justice Deschênes said, and I quote:

> I rather had the impression that he was attempting, if possible, to head off a confrontation between the executive and judicial branches of government.

Can the minister now reveal to the House exactly what he told Justice Hugessen about this matter and who, within or outside the Cabinet, suggested to him that there might be a confrontation which would affect the integrity and independence of the judiciary?

[*English*]

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, the question has two parts. Regarding the first one in respect of the confrontation, I think the hon. gentleman would agree that a case before the courts in which the court itself appeared to be one of the parties and a member of the executive being the other, carried out as a full-scale battle based on a possible misunderstanding at the outset, would be an unnecessary confrontation, and any conflict based on this misunderstanding appears to me to be inappropriate and useless. It is the job of a public official to avoid this kind of thing if that can be done, and that is what I was seeking to do.

Some hon. Members: Hear, hear!

Mr. Wagner: Mr. Speaker, my supplementary question to the Minister of Public Works relates to the statement given to Chief Justice Deschênes by Associate Chief Justice Hugessen to the effect that, and I quote from page 11779 of *Hansard* of March 12:

> The view which Mr. Drury felt was being expressed in some quarters in Ottawa that the proceedings against Mr. Ouellet were in some way a ganging up of the English speaking establishment against prominently placed French speaking persons.

My question to the minister is, was he personally of the opinion that the case against the former Minister of Consumer and Corporate Affairs was, in fact, a ganging up of the English-speaking establishment against French-speaking ministers?

As to the particular nature of the words used, I think perhaps the paraphrasing which Mr. Justice Hugessen has provided to his superior, the Chief Justice of Quebec, more adequately says what I had to say to him than perhaps anything I could add here.

Mr. Drury: Mr. Speaker, I would say quite unequivocally and with great certainty that the answer is no.

Some hon. Members: Hear, hear!

VIEW OF MR. DRURY OF INTERPRETATION OF CONSUMER MINISTER'S CONTEMPT CITATION AS GANGING-UP ON FRENCH MINISTERS

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, in light of these remarks by the Minister of Public Works, and in light of the remarks by Associate Chief Justice Hugessen, I would ask whether the Minister of Public Works knows of any instance, either in the press or elsewhere, when the possibility of a ganging-up of the English-speaking establishment was alluded to as a result of the contempt proceedings against the former Minister of Consumer and Corporate Affairs, and did he put any credance in respect of such an interpretation of the case against the former minister?

Hon. C. M. Drury (Minister of Public Works): Again, Mr. Speaker, the answer is no.

APPOINTMENT OF CROWN COUNSEL FOR APPEAL OF CONSUMER MINISTER'S CONTEMPT CONVICTION—GOVERNMENT POSITION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Justice. In the matter of the upcoming appeal from Mr. Juctice Hugessen's conviction of the former Minister of Consumer and Corporate Affairs, is the minister satisfied from a monitoring point of view that adequate arrangements have been made for the upholding and defending of Mr. Justice Hugessen's decision, since following the departure of the original counsel appointed the mandate of his replacement appears to have been circumscribed so that his only role may be to provide information that the appeal court requires, rather than being empowered to act as a vigorous advocate on behalf of the Crown, in the same way as counsel for the former minister will undoubtedly and properly act in attempting to overrule Justice Hugessen's decision?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I do not know what the hon. member means by a "monitoring" position of the proceedings. The proceedings by way of contempt are clearly within the area of administration of justice under the jurisdiction of the Attorney General of Quebec, who has appointed in the case the Bâtonnier of the Quebec Bar, and I am sure the matter is in good hands.

Mr. MacKay: Mr. Speaker, in view of the sensitivity of the issue of the involvement of the former Minister of Consumer and Corporate Affairs with the courts, which the Prime Minister admitted yesterday caused him to consider the possibility of a confrontation between the executive and judicial branches of government, does the Minister of Justice not consider that the utmost care should be taken so that the appeal of the former minister may never be perceived to have been handled in any way other than with the fullest opportunity for both sides to proceed with the utmost vigour to an ultimate conclusion according to the precepts and procedures of justice? Would he not agree that any possible procedural anomalies or handicaps which would appear to favour the appellant would be most undesirable in principle?

Mr. Basford: Mr. Speaker, let me state unequivocally that I have confidence in the administration of justice by the attorney general of Quebec and, apparently unlike the hon. member, I have complete confidence in the Court of Appeal of the province of Quebec.

Some hon. Members: Hear, hear!

ALLEGED REQUEST OF MR. JUSTICE JACKETT TO SPEED UP TRIAL OF ROOSEVELT DOUGLAS—REQUEST FOR REPORT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Justice of which I have given him notice. In view of the Prime Minister's statement on Friday regarding ministerial conduct in the administration of justice, which I quote in part: "In future no member of the Cabinet may communicate with members of the judiciary concerning any matter which they may have before them in the judicial capacity except through the Minister of Justice", etc., will the minister advise the House at whose request and on whose instructions did Mr. D. S. Maxwell, who was then the Deputy Minister of Justice, request Mr. Justice Jackett to speed up the handling of the case of Mr. Roosevelt Douglas in July, 1972?

• (1450)

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I appreciate the hon. member giving my office notice of his question about 20 minutes ago.

Some hon. Members: Oh, oh!

Mr. Paproski: That is better than you do with statements.

Mr. Basford: Mr. Speaker, in case my remark was misinterpreted let me say it was not meant to be a joke. I do appreciate being forewarned of what is obviously regarded by the leader of the NDP as a serious question. At the moment, I have determined only that the application by Mr. Maxwell in that case was made in open court with counsel present. I presume it was on instructions of the Department of Justice.

Mr. Broadbent: Mr. Speaker, while the minister is looking into this—

Some hon. Members: Oh, oh!

Mr. Broadbent: For some curious reason the cabinet seems to be more concerned than usual today. While the minister is looking into it, would he also check the reason for Mr. Justice Jackett having said at the time "I am not going to tolerate that sort of message coming to me". Would the minister check into the general circumstances of this situation to find out why that statement was made and report back to the House?

Mr. Basford: Mr. Speaker, I am making inquiries but, as I understand it, at the present time the application made by the counsel for the Department of Justice was made in open court with counsel present. So at the moment I have no case to answer, so to speak, because surely it is quite proper for counsel to make an application to speed up either the trial or the appeal, I am not sure which, when that application is made in open court.

Mr. Broadbent: Mr. Speaker, I rise just to have that point clarified. Is the minister saying that to his knowledge there was no such request made in private, that is to say not in open court?

Mr. Basford: That, Mr. Speaker, is my present knowledge. I am making further inquiries and if the hon. member has further information I wish he would give it to me because at the moment all I know is that an application was made in open court which, I think even hon. members opposite will agree, is a perfectly proper procedure.

[*Translation*]

FINANCE

MINISTER'S VIEW OF ECONOMIC CRISIS AND EFFECT OF INCREASED INTEREST RATES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to direct my question to the Minister of Finance.

It has been reported in the newspapers that an economist for Crang & Ostiguy in Montreal implied a couple of days ago that Canadians so far have only felt the tip of the iceberg with regard to the economic crisis which has hit industrialized countries starting in 1974. Only during the coming two or three quarters will they really be hit right on by restrictions, unemployment and inflation which will continue to be severe. Does the minister believe that the economic crisis will grow during the next six or nine months? Also, does he think that increases in the interest rates, either by the Bank of Canada or the Canadian banking system, will help stamp out or effectively fight inflation, or will not the opposite happen?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I do not accept the views reported by the hon. member and which come from an economist for a Montreal investment company. With regard to the interest rates, the decision was taken by the Governor of the Bank of Canada to control the increase in the Canadian money supply and, as such, it is an anti-inflation policy.

INQUIRY WHETHER GOVERNMENT CONSULTED BY BANK OF CANADA BEFORE RAISING INTEREST RATES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a supplementary question.

Does the Governor of the Bank of Canada consult the minister or the department before making such a decision? I ask this question because I would not want in any way the public to think that the government has absolutely nothing to do with that decision by the Governor of the Bank of Canada.

Hon. Donald S. Macdonald (Minister of Finance): Yes, Mr. Speaker, the governor did consult me about that increase in the interest rate.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

POSSIBLE CONSULTATIONS BETWEEN MINISTER AND QUEBEC ON APPOINTMENT OF COUNSEL ON APPEAL AGAINST MR. OUELLET'S CONTEMPT CONVICTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Justice. Since Mr. Justice Mackay found it necessary to circumvent regular channels, and indeed ignore the prescribed list in the appointment of a prosecuting counsel in order to ensure that there would be no possible conflict of interest, I should like to ask the Minister of Justice if he has had any consultations with the Chief Justice of the Superior Court of Quebec or the Attorney General of the province of Quebec or anyone else in the province of Quebec with respect to the handling of the appeal in order that in this instance there will be no conflict of interest and in order to ensure that the interests of the Crown are vigourously upheld.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the Attorney General of Quebec has appointed counsel in the case, and it is clearly a matter within the administration of justice within the jurisdiction of the province of Quebec.

* * *

THE MINISTRY

DATE OF ANNOUNCEMENT OF NEW MINISTER OF CONSUMER AND CORPORATE AFFAIRS

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is more in the way of a related question, since it concerns the resignation of the Minister of Consumer and Corporate Affairs, and I direct it to the Right Hon. Prime Minister. In view of the great interest that the former minister placed on his former responsibilities as a consumer advocate, and one in which I wholeheartedly concur, may I ask the Prime Minister when the House can expect the appointment of a successor to the hon. member, and perhaps he could tell the House at the same time who will be answering in the interim for the Department of Consumer and Corporate Affairs, for the Anti-Inflation Board and for other agencies which answer through the Minister of Consumer and Corporate Affairs?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the answer to the first question is, soon, and the answer to the second question is that there is the excellent parliamentary secretary to the minister who will be able to take the questions today.

Some hon. Members: Hear, hear!

An hon. Member: Who is it, Pierre? You don't know, do you?

Mr. Trudeau: The hon. member for Vancouver East. There are, of course, under order in council two acting ministers, the first one is the Postmaster General and the second one is the Minister of National Health and Welfare. So, the House will be afforded an opportunity to have the two ministers or the parliamentary secretary answer the questions until a full time minister is appointed.

* * *

ADMINISTRATION OF JUSTICE

STATUS OF MINISTER IN COMMUNICATING WITH JUDGES WITHIN GUIDELINES SET BY PRIME MINISTER

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, my question is for the Minister of Justice and I gave him not 20 minutes but 24 hours' notice of it. I think it is important that this matter be cleared up. What status does the Minister of Justice contemplate he would have in communicating with the judge as suggested in the Prime

Minister's statement of last Friday? Is it not true that the only way in which representations should be made by ministers or citizens should be through counsel in open court, and is not this the ethical position very clearly enunciated across this country?

Some hon. Members: Hear, hear!

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I would imagine, in the circumstances—and I will be saying more on this this afternoon—it would be me or my counsel with the judge in the presence of counsel for parties to the action. I think the hon. gentleman will agree that it might not necessarily be in open court if all counsel were present. Of course, judges quite frequently agree to consultations in their chambers in the presence of counsel for all parties.

Mr. Fairweather: I feel a great deal better.

Mr. Stanfield: The minister should have spelled it out himself.

Mr. Basford: Of course, I will give the hon. member the assurance that my activities or those of my counsel will be in accordance with the cannons of legal ethics which prevail from province to province. I can foresee circumstances in which a judge might wish to communicate with me in the course of a trial, due possibly to illness and his inability to carry on.

● (1500)

ALLEGED INTERFERENCE WITH JUDICIARY—REQUEST FOR RESIGNATION OF MR. DRURY IN VIEW OF RESIGNATION OF MR. OUELLET

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Grafftey: My question is directed to the Minister of Public Works. In view of the statement made to the House this afternoon by the Minister of Consumer and Corporate Affairs, will the minister now reconsider his position and re-submit his resignation to the Prime Minister?

Some hon. Members: Hear, hear!

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, it is not very clear to me that my circumstances have in any way altered as a consequence of what has transpired this afternoon.

Some hon. Members: Hear, hear!

Mr. Grafftey: I ask this supplementary because I know of government tactics in this regard.

Mr. Guay (St. Boniface): Say it.

Mr. Grafftey: During his conversation with Associate Chief Justice Hugessen the minister brought up the problem of ganging up on a French-speaking minister. Does the minister not feel that he should reconsider his position and make sure that there is not one rule for French-speaking ministers and another for English-speaking ministers?

Some hon. Members: Hear, hear!

[Mr. Fairweather.]

Some hon. Members: Oh, oh!

Mr. Paproski: Resign and sit down.

Mr. Drury: No, I won't. I did indicate a little while ago that I attached no belief to these assorted stories.

Mr. Grafftey: Why did you bring it up?

Mr. Drury: One wonders how they arise.

Mr. Paproski: Yes, one does. Check with the Prime Minister.

Some hon. Members: Oh, oh!

Mr. Drury: I would suggest that one possible source is the kind of question which was just asked, pretending that there is one rule or one law for Francophones and another for Anglophones. We do not subscribe to that, and I hope the hon. member does not.

Some hon. Members: Hear, hear!

Mr. Grafftey: Then will the minister be consistent and resign?

Mr. Speaker: Order, please. The hon. member for Yukon.

REQUEST FOR INVESTIGATION OF ALLEGED PRESSURE ON DR. CONNOLLY TO WITHDRAW CHARGES AGAINST WHITEHORSE

Mr. Erik Nielsen (Yukon): Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Paproski: You will be laughing at the next election.

Mr. Nielsen: I thank hon. members opposite for the usual warm welcome back to the House. I was involved in bringing entirely different kinds of pressure to bear upon Northern Canada Power Commission to prevent a doubling of our electric light rates.

Some hon. Members: Hear, hear!

Mr. Nielsen: My question is for the Minister of Justice, and it involves the matter raised by the right hon. member for Prince Albert last March 4 with respect to pressures being brough upon Dr. Connolly, he being threatened with the loss of his job unless he withdrew charges which were laid against the city of Whitehorse. Since his office and the official prosecutor in the Yukon were in charge of the case, I am wondering if the minister has consulted with his colleague the Solicitor General with respect to the conducting of an investigation by the RCMP into the matters raised by the right hon. gentleman with a view to laying charges, on what appears to be clear evidence, against those involved in bringing such pressures to bear on Dr. Connolly of obstruction or conspiracy to obstruct under the provisions of the Criminal Code of Canada.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I examined those reports, which were that the Department of Justice had brought pressure to bear upon the prosecutor to withdraw the charge, and I determined that there is absolutely no foundation for that allegation.

Mr. Nielsen: I do not read any reference in the remarks of the right hon. gentleman that any pressures were brought by the Department of Justice at all, but indeed, a clear reference to pressures being brought to bear by the department of the Minister of National Health and Welfare. I believe an investigation would disclose that officials of the Department of Indian and Northern Affairs were also involved.

Mr. Speaker: If the hon. member has a supplementary, would he put it?

Mr. Nielsen: The question is, because of the seriousness of the matter, will the Minister of Justice consult with his colleague the Solicitor General with a view to having such an investigation conducted, and if he needs a complaint upon which to proceed he has mine here and now.

Mr. Basford: I will review the question of the right hon. member for Prince Albert before I determine whether there should be an investigation.

ALLEGATION MR. LALONDE ASKED JUDGE MACKAY TO DELAY JURY DECISION—POSITION OF PRIME MINISTER

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. My question is supplementary to the exchange we had yesterday.

In view of the statement made in the letter of Mr. Justice Mackay to Chief Justice Deschênes, which was tabled in the House, to the effect "that, he, Lalonde, and others in the Prime Minister's office felt that the situation was so serious that it was decided to see me with a view to delaying the jury's decision," does the Prime Minister regard that as a slip in the judge's memory, or does he accept it as a statement of what happened at the judge's home on Sunday morning, March 8, 1970?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I suggest that the hon. member is asking exactly the same question he asked yesterday, and I will answer, perhaps not in the exact terms, but he could refer to *Hansard*. The answer is that it is obvious the two men, Mr. Justice Mackay and the Minister of National Health and Welfare, have a different memory of the event. They have both stated what they remember to be the case. We heard the words of the minister on the one hand and the statement of the judge on the other.

Mr. Guay (St. Boniface): Which is no better.

Mr. Trudeau: I was arguing then and I still make the argument that it is hard to see how a commission of inquiry, which is the proposition put forward by the hon. member's party, would get any different facts, since only those two men were present together, and each has a different memory of the events.

I did go on yesterday to say—and I repeat it since the hon. member asked me—that it is a matter of asking yourself whose memory is best, and I gave some examples to indicate that the judge obviously had a faulty memory in at least two respects.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): May I just say as a prelude to my supplementary question that these things could be got out by cross-examination.

In view of reports that the High Commissioner to Canada of Trinidad and Tobago has said that the date of the decision was publicly known, how could the then principal secretary in the Prime Minister's office go to the judge's home to ascertain something which was already public information?

Mr. Guay (St. Boniface): Read it again.

● (1510)

Mr. Trudeau: Mr. Speaker, on the first part of the hon. member's question that relates to a cross examination, of course there are two ways of doing that. One would be for the hon. member to ask the minister himself. Then, if he found that this kind of cross examination did not reassure him he could always lay a charge and have the minister come before a committee of the House. The hon. member is free to choose the course which his courage dictates. As to the allegation of the—

Mr. Clark: You have a peculiar concept of responsible government.

Mr. Trudeau: And you of responsible opposition. As to the supposed statement or alleged statement made by the High Commissioner for Trinidad and Tobago, this is the first I heard of it. I should like to know where the hon. member gets his information. Of course, all I have in my information are facts which are completely in contradiction to the ones they have.

An hon. Member: Have an inquiry and bring it out.

Mr. Trudeau: The hon. minister did bring it out. He referred to a request that the Under-Secretary of State for External Affairs had made to him, the then first personal secretary or first secretary of the prime minister and he based himself on that information requested by the Under-Secretary of State for External Affairs.

SUGGESTION MINISTER MEET PROVINCES TO ACHIEVE UNIFORMITY IN GRANTING BAIL FOR DANGEROUS OFFENDERS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is for the Minister of Justice. Yesterday I moved a motion which I believe the Minister of Justice was somewhat sympathetic with, although the parliamentary secretary said no. May I now ask the minister if he is prepared to meet with the attorneys general of the provinces, in light of the fact that Mr. Nichols and Mr. Gamble were released on bail after having been charged with murder and attempted murder in Vancouver and then came to Calgary where a policeman was shot and several hostages held for 45 hours, in order to get some uniformity in the granting of bail for dangerous offenders?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I think the hon. member's suggestion is a good one, although possibly a little premature. As the hon. member knows, the Bail Act is being amended. Last December I proposed amendments to the Bail Act to deal specifically with the

kind of tragic situation we saw in Calgary the other day. Bill 71 has to be reported, dealt with on third reading by the Senate very soon and come back to this House for some technical amendments. I hope that we will have the co-operation of hon. members in passing those technical amendments in this House very quickly so that the changes to the Bail Act making it more difficult for those charged with murder, attempted murder or conspiracy to murder to get out on bail, will become law. Then, I would be happy to take up the hon. member's suggestion that the attorneys general meet—when the law has been changed—and that guidelines be drawn up to assist magistrates in awarding bail in those cases.

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TRADE

REQUEST FOR MEASURES TO ASSIST EXPORTERS IN VIEW OF DECLINE IN VALUE OF CURRENCIES OF SEVERAL COUNTRIES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. On Thursday, March 11, as reported at page 11701 of *Hansard* I directed a question to the Minister of Finance which concerned the decline in the purchasing power of the British pound and the possibility of assisting the United Kingdom with a view to maintaining Canada's flow of exports to that country. The minister promised to discuss this problem with the Minister of Industry, Trade and Commerce who has the prime responsibility. In light of the continued decline in the value of the pound, and other events which are occurring in Great Britain which will have a major effect on Canada's exports to that country as well as our exports to Italy and France whose currencies are also declining, what steps is the minister taking to assist Canadian exporters in these circumstances?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I hope the hon. member will understand that having returned only yesterday there has not been an opportunity for the Minister of Finance to discuss the matter with me as yet. I shall be glad to look up the question and answer in *Hansard* and discuss it with the Minister of Finance. In general, I can say for certain types of goods and certain other markets to which the hon. member has referred there is, of course, export financing available. I should be glad to hear from him which particular exports he is interested in and put the officials in my department and perhaps the Export Development Corporation in touch with those exporters to see if there is some way they can be helped by that device. If there are others I would be pleased to look at them as well. I shall look forward to hearing from the member, specifically what products he has in mind.

[Mr. Basford.]

[*Translation*]

ADMINISTRATION OF JUSTICE

REASON PRIME MINISTER REFUSED MR. DRURY'S RESIGNATION AND ACCEPTED MR. OUELLET'S

Mr. Charles Lapointe (Charlevoix): Mr. Speaker, I have a question for the right hon. Prime Minister.

Could he explain to the House why he accepted the resignation of the Minister of Consumer and Corporate Affairs after rightly refusing the resignation of the Minister of Public Works?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it seems the question did not cross the minds of many people. I am surprised that the opposition itself did not ask it. But since the hon. member for Charlevoix is asking it I must point out to him that the resignation tendered by the Minister of Consumer and Corporate Affairs is based on two grounds. The first is his desire to pursue his case on appeal in all freedom and allow the courts to judge outside the political context that developed in recent months and past weeks. The second reason is that in his own view, in his own opinion, in his own feeling, he feels that while he is pursuing his appeal in the present context he cannot carry out his functions as a minister in the way he would like. Those two reasons led me to accept his resignation. Those reasons, as the hon. member knows, are completely different from those for which the Minister of Public Works tendered his resignation.

[*English*]

REQUEST FOR CLARIFICATION OF TERM "CALCULATED INDISCRETION" USED BY MR. OUELLET WHEN REFERRING LEAKS OF JUDGE MACKAY'S LETTERS

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a question for the Minister of Justice. In view of the fact that the Minister of Consumer and Corporate Affairs cannot answer these questions, can the minister tell the House what was the calculated indiscretion to which the former minister referred which he said had brought about this controversy?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I do not know. I did not discuss that expression with the former minister. I would expect or surmise it was a reference to the leaks of correspondence which apparently, as I read the newspapers, were given to the newspapers by Mr. Holden.

Mr. Fraser: A supplementary question. Is the Minister of Justice telling the House that it is his position or the position of the government that this controversy was created by a calculated indiscretion on the part of Mr. Holden or was it one of the many other indiscretions which apparently have taken place?

Mr. Basford: Mr. Speaker, I have refrained from commenting on Mr. Holden and will continue to do so for fear that the comments might be either unparliamentary or unprofessional.

THE CANADIAN ECONOMY

REQUEST FOR ESTIMATE OF UNEMPLOYMENT RATE AND LEVEL OF INFLATION FOR THE YEAR

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, a question for the Minister of Finance. Considering that last month's brightening of the unemployment picture proved transitory and noting that the unemployment rate has remained near 7 per cent for nearly a full year, can the minister tell the House when improvement in the unemployment rate may be expected and what he anticipates the unemployment rate to be for the balance of this calendar year?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, in May, as is the customary practice, I shall be making a statement in the context of the budget as to the government's perspective on the economy and its course in the succeeding months. It seems to me appropriate to wait until that occasion before making any kind of estimate.

Mr. Stevens: A supplementary question, Mr. Speaker. In view of the minister's forecast of a 5 per cent rate of growth in the economy in the current year, could he explain the basis of his forecast of the rate of growth at 5 per cent with a specific indication of job creation for the year, the level of inflation he anticipates and the trade deficit for the current calendar year?

● (1520)

Mr. Macdonald (Rosedale): Mr. Speaker, I will be glad to do that in a budget debate.

* * *

TRANSPORT

PROPOSED REMOVAL OF SUBSIDY ON EXPORT FLOUR—REQUEST FOR RECONSIDERATION

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Minister of Transport. Has the minister had a change of heart, and possibly of mind, after studying the excellent submission which the Canadian National Millers Association presented to the minister a month ago pointing out the disastrous effect of certain government actions on the export flour industry and on all our ports, but mainly Montreal and Halifax, from which flour is sent abroad from eastern Canada; or, does the government intend to cut out vital subsidies and give the export flour industry holus-bolus to the Americans, who are subsidized.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I do not share the views expressed by the hon. member as to consequences. The removal of the particular subsidy to which the hon. member referred is before the House in the form of legislation. It is my view that such subsidies, along with many other subsidies and transfer payments made in this country, create distortions which do not necessarily preserve the method of transport they are designed to support. By progressively removing these anomalies, we could end up with a far better low-cost system which effectively takes into account the proper functioning of the different ports of this country.

Mr. McCleave: A supplementary question, Mr. Speaker. Does the minister not recognize that the export flour business is in slump, having been reduced from about 32 per cent of world trade to one third that amount, or 11 per cent, and that this move will cut the trade even more?

Mr. Lang: Mr. Speaker, the hon. member will appreciate that notwithstanding the subsidies, the change in the world flour picture has had a dramatic impact on the trade. Clearly, that had nothing to do with subsidies, as the subsidies were in place throughout the whole period of the slump.

* * *

UNEMPLOYMENT INSURANCE

ALLEGED HARASSMENT OF CLAIMANTS—GOVERNMENT POSITION

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Can the minister inform the House if a concerted effort is being made by the Unemployment Insurance Commission to harass hundreds of claimants by requesting constant and repeated weekly interviews which could involve hundreds of miles of travel to district offices at the claimant's expense?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I categorically deny the allegation put forward by the hon. member. The Unemployment Insurance Commission quite properly monitors the payment of benefits and insists on proper evidence of an active job search by claimants who receive benefits. That, I think, is proper.

Mr. Scott: A supplementary question, Mr. Speaker. Can the minister say if UIC district offices have been instructed to implement such a plan in future?

Mr. Andras: Mr. Speaker, I think that is the same question but in another form, and the answer I gave previously would apply.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

INQUIRY WHETHER JUDGES OUTSIDE QUEBEC HAVE BEEN INFLUENCED BY MINISTERS

Mr. René Matte (Champlain): Mr. Speaker, I wish to put a question to the right hon. Prime Minister.

Since the sensational disclosure of certain ministers' actions as regards the administration of justice, the public wonders if such things were confined exclusively to the province of Quebec. Would the Prime Minister first tell us if members of his cabinet have advised him that they themselves took similar actions towards judges outside the province of Quebec and, second, if judges in provinces other than Quebec have indicated to the Minister of Jus-

tice or the Prime Minister any action by members of the cabinet such as those revealed by Mr. Justice Mackay?

Right Hon. P. E. Trudeau (Prime Minister): To the first part of the question, the answer is a firm no. To the second, Mr. Speaker, after consultations with justice ministers and with members of my own office, the answer is also no.

* * *

[*English*]

CAPE BRETON DEVELOPMENT CORPORATION

REQUEST FOR MEETING WITH MINISTER ON FINANCIAL SETTLEMENT FOR MINERS FORCED TO RETIRE

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. Is the minister prepared to set a firm date for meeting Mr. Tom Kent, the hon. member for Cape Breton-The Sydneys, and me, to discuss preretirement leave payments for Cape Breton miners who were preretired between 1969 and 1971.

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I do not know if we shall be able to resolve the problem to which the hon. member alluded. I intend to invite the hon. member and his colleague to join me and Mr. Kent tonight, after we adjourn the meeting of the standing committee.

* * *

ADMINISTRATION OF JUSTICE

REQUEST FOR IMPROVED GUIDELINES FOR MINISTERS APPROACHING JUDICIAL BODIES

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should dearly love to direct a question to the Prime Minister, if he is still in the House and not dealing with other resignations. Considering the demands made in the last few days relating to the bad practises of the past and considering that many boards and tribunals are not courts of record, are not covered by the inadequate guidelines suggested by the Prime Minister, but make decisions which can affect thousands of people and which ought to be made at arm's length from the government—I cite decisions made under the Anti-Inflation Act as an example—will the government not consider revising and tightening the guidelines, to cover those cases which ought to be covered?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as the hon. gentleman knows, many boards and tribunals are given two functions. One function is to act as adviser to the government. These bodies do this, in addition to carrying out their judicial functions. It depends on which of these the hon. member is thinking about. I can think of some with which the government ought to be in touch, in order to ask for their opinion.

[Mr. Matte.]

TIME AND DATE WHEN MINISTER RECEIVED REPORT OF CHIEF JUSTICE DESCHÊNES

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of Justice. Could he clear up a couple of points. Can he tell the House the exact time and date at which he received the Deschênes report last week? Was it either Wednesday night or Thursday? Also, at what time did he tell the Prime Minister the highlights of the report, if not the whole report?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the report was received in my office some time after lunch.

Mr. Clark: On what day? Thursday?

Mr. Basford: On Thursday of last week. It was not seen by me. It was submitted to the department for translation. I saw it, and the Prime Minister saw it, late in the afternoon.

* * *

TRANSPORT

POSSIBILITY OF INCREASED SEAWAY TOLLS—GOVERNMENT POSITION

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Minister of Transport. I gave him notice of it. In view of the grave concern of public marine carriers, manufacturers and processing industry people in Canada's heartland, Ontario, about the increased cost of doing business, will the minister assure the House that tolls and canal fees for shipping on the St. Lawrence seaway system will not be increased for the current year?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the answer I gave previously still stands. The government has not considered the matter at this stage. We shall need to consider, in the near future, the financing of the seaway and the canal.

INCREASE IN FEES OF SEAWAY PILOTS—POSSIBLE REFERENCE TO ANTI-INFLATION BOARD

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my supplementary question arises from the recent announcement concerning the generous increase granted to pilots, who are to increase pilotage fees on the St. Lawrence seaway. Does the minister agree with and approve of this increase? If so, did he confer with the Anti-Inflation Board as to the eligibility of the increase, in light of the provisions of the anti-inflation guidelines?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am not pleased about the increase. The relationship of this particular group to the Anti-Inflation Board and the guidelines is now under consideration.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

Ninth report of Standing Committee on Health, Welfare and Social Affairs—Mr. Robinson.

Twelfth report of Standing Committee on Transport and Communications—Mr. Campbell.

Mr. Brisco: Mr. Speaker, I rise on a question of privilege. I am sorry that I was not in a position to give the Chair notice of my intention to raise this question. May I draw to Your Honour's attention that three separate standing committee meetings, scheduled originally for 3.30 this afternoon, have been rescheduled for eight o'clock this evening. Actually, a fourth committee meeting has been scheduled. Since I am a member of three of those committees, obviously I cannot attend all three committees simultaneously. I think other hon. members are in the same position. It is not fair. We have been placed in an embarrassing position as it is impossible to attend all committees at eight o'clock. I suggest that more thought should be given to the scheduling of standing committee meetings.

* * *

FISHERIES

PRESENTATION OF PETITION BY CONSTITUENTS OF COMOX-ALBERNI

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, I wish to present a petition to the House containing 2,797 names of constituents of Comox-Alberni. If I may, Mr. Speaker, I would like to state that the petition concerns seining in the Port Alberni canal and the death of thousands of juvenile spring salmon as a result of seining. The petition is to restrain seining in the Port Alberni canal, during the summer months, for cohoe salmon. May I present the petition, Mr. Speaker?

* * *

● (1530)

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,968, 3,972, 4,080, 4,086, 4,099, 4,102, 4,117, 4,118 and 4,127.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

CMHC LOANS TO METROPOLITAN VICTORIA, B.C. 1973-74

Question No. 3,968—**Mr. McKinnon:**

How much money was loaned by Central Mortgage and Housing Corporation in Metropolitan Victoria, British Columbia in (a) 1973 (b) 1974?

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: See table below.

Net Loans Approved by CMHC Under the NHA
Victoria Metropolitan Area, 1973-1974

	1973				1974			
Program	Loans	Units	Hostel Beds	$000	Loans	Units	Hostel Beds	$000
Home-Owner and Rental (Sec. 58)	1	1	—	8	8	8	—	130
Assisted Home-Ownership (Sec. 34.15)	117	117	—	2,794	205	205	—	5,608
Co-operatives (Sec. 34.18)	1	74	—	1,334	1	8	—	50
Low Rental (Sec. 15)	1	1	—	6	3	90	—	2,138
Non-Profit (Sec. 15.1)	1	158	—	1,085	9	297	149	5,441
Land for Housing (Sec. 42)	—	—	—	—	1	—	—	2,804
Sewage Treatment (Sec. 51)	3	—	—	1,795	1	—	—	1,401
Total	124	351	—	7,022	228	608	149	17,572

PUBLIC HOUSING RENTAL SCALE

Question No. 3,972—**Mr. Marshall:**

Has the review of public housing rental scale been completed by the Central Mortgage and Housing Corporation and, if so, what is the new Schedule A, graduated rental scale for fully serviced accommodations in public housing projects for families and elderly citizens?

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: The public housing rent-to-income Scale is reviewed frequently by both CMHC and provincial housing agencies. The general consensus is that fundamental revisions are not warranted.

While current rents produced by the scale may be considered to be too high, substantial subsidies are nevertheless required. In these circumstances, CMHC considers that the rent-to-income scale should not be adjusted at this time.

Order Paper Questions

CMHC TRAINING PROGRAMS

Question No. 4,080—**Mr. McKenzie:**

1. Did CMHC in Winnipeg conduct an in-service training programme in Brandon, Manitoba in January or February 1976 and, if so (a) what are the details of the programme and its purpose (b) how many of the Winnipeg staff were transported to Brandon (c) what was the total cost of the programme, including expenses for meals, hotel accommodation, travel, etc.?

2. Were employees paid out of pocket expenses and, if so, in what amount?

3. Were any babysitting expenses paid for children of staff while they were in Brandon?

4. How many days tenure was the course?

5. Was the course authorized by the Minister of State for Urban Affairs?

6. How many courses are being conducted across Canada?

7. How many were conducted across Canada in 1975 and what was the total cost?

8. How many are planned for 1976 across Canada and what is the projected total cost?

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: 1. (a) Central Mortgage and Housing Corporation, from time to time over the past years, has conducted training courses and workshops for members of its staff. Because of increasing decentralization of the management of National Housing Act programs to its field offices, such courses have become increasingly important. Three in-service workshops were held in Brandon, during the weeks of January 12, January 19, and February 2, for the Manitoba Regional staff.

1. (b), (c), 2, 3, 4, 5, 6, 7, and 8. Staff training and related matters of personnel administration are the responsibility of the president and board of directors of CMHC, and it is not the policy to provide detailed information about them.

COMMONWEALTH SCHOLARSHIPS

Question No. 4,086—**Mr. Marshall:**

Have details of the 1975 United Kingdom Commonwealth Scholarships for Canadian students been sent to Memorial University in Newfoundland and, if so, what action has been taken?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): The Association of Universities and Colleges of Canada, which is responsible for administrating the Commonwealth Scholarship Plan in Canada, sent announcements to the following offices at Memorial University in Newfoundland: (1) The Librarian; (2) The Registrar; (3) The Faculty of Graduate Studies; (4) The Dean of Men, Financial Aid Office.

Three applications were received from students at Memorial University, one of whom was nominated for an award. Word has not yet been received from the administrators of the plan in the United Kingdom as to whether the nomination has been accepted.

LAUNCHING OF NEW CANADIAN COMMUNICATIONS SATELLITE

Question No. 4,099—**Mr. Balfour:**

1. How many persons attended, at public expense, the launching of a new Canadian communications satellite from the Kennedy Space Centre in Florida on January 16, 1976?

2. What are the names of all persons whose expenses were paid in whole or in part by the government?

3. What was the (a) total cost (b) specific cost to the government for (i) travel (ii) accommodation (iii) food and beverages (iv) other items?

4. What was the cost to the government of the information package entitled "Introducing CTS, Catalyst in Space" produced by Don Hewson and Associates of Ottawa?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Communications): 1. Eight persons.

2. The Honourable Jeanne Sauvé Minister; James Fleming, M.P.; Jacques Guibault, M.P.; M. F. Yalden, Deputy Minister; Dr. John Chapman, Assistant Deputy Minister (Space Program); P. McDonald, Special Assistant to Minister; P. Nadeau, Special Assistant to Minister; C. Pierrard, Secretary to Minister.

3. (a) $3,516.81. (b) (i) $1,580.00, (ii) $736.49, (iii) $348.35, (iv) $851.97.

4. $22,583.20.

CANADA MANPOWER TRAINING PROGRAM

Question No. 4,102—**Mr. Orlikow:**

How much money was spent in 1974-75 under the Canada Manpower Training Programme on (a) men (b) women in the form of (i) training payments (ii) allowances for Canada and each province?

Hon. Robert K. Andras (Minister of Manpower and Immigration): See table below.

Canada Manpower Training Program Expenditures and Trainee Distribuion by sex by Province 1974—1975

Province and Region	Expenditures ($) Institutional Training: Training Cost (1)	Allowance Cost	Total Full-time	Part-time	Total	Industrial Training	Grand Total	Institutional Trainees Full-time: Male Per cent	Female Per cent	Total	Part-Time (2)	Industrial Trainees: Male Per cent	Female Per cent	Total
Newfoundland	9,201,320	6,907,614	16,108,934	9,319	16,118,253	1,488,642	17,606,895	79.8	20.2	8,336	50	83.4	16.6	1,916
Prince Edward Island	1,997,799	1,999,264	3,997,063	38,839	4,035,902	332,721	4,368,623	60.3	39.7	2,455	315	88.9	11.1	459
Nova Scotia	10,195,629	7,827,594	18,023,223	23,461	18,046,684	2,229,910	20,276,594	75.9	24.1	10,518	382	72.4	27.6	3,087
New Brunswick	7,705,289	6,733,127	14,438,416	14,911	14,453,327	1,719,092	16,172,419	72.8	27.2	8,775	286	80.9	19.1	2,331
Atlantic	29,100,037	23,467,599	52,567,636	86,530	52,654,166	5,770,365	58,424,531	74.8	25.2	30,084	1,033	78.4	21.6	7,793
Quebec	69,086,243	43,348,933	112,435,176	4,938,174	117,373,350	11,071,559	128,444,909	56.7	43.3	51,673	51,181	77.4	22.6	10,624
Ontario	55,414,702	45,174,475	100,589,177	1,638,853	102,228,030	11,662,393	113,890,423	58.9	41.1	45,732	1,990	80.7	19.3	20,214

Alleged Interference with Judiciary

Expenditures ($)

Province and Region	Institutional Training: Training Cost (1)	Allowance Cost	Total Full-time	Part-time	Total	Industrial Training	Grand Total	Institutional Trainees Full-time: Male Per cent	Female Per cent	Total	Part-Time (2)	Industrial Trainees: Male Per cent	Female Per cent	Total
Manitoba	9,102,092	6,240,763	15,342,855	6,301	15,349,156	1,077,956	16,427,112	72.1	27.9	6,994	75	79.6	20.4	1,097
Saskatchewan	6,733,828	5,136,567	11,870,395	—	11,870,395	1,317,095	13,187,490	69.5	30.5	6,035	—	83.3	16.7	1,874
Alberta	18,712,100	10,036,962	28,749,062	9,445	28,758,507	1,564,969	30,323,476	81.9	18.1	15,040	110	71.0	29.0	1,912
North West Territories	924,530	396,174	1,320,704	4,215	1,324,919	173,694	1,498,613	58.9	41.1	431	15	66.7	33.3	83
Prairie	35,472,550	21,810,466	57,283,016	19,961	57,302,977	4,133,714	61,436,691	76.4	23.6	28,500	200	79.6	20.4	4,966
British Columbia	18,196,047	14,520,725	32,716,772	501,832	33,218,604	4,463,437	37,682,041	70.3	29.7	22,547	8,231	80.2	19.8	6,126
Yukon	734,456	392,640	1,127,096	—	1,127,096	186,561	1,313,657	46.1	53.9	450	—	98.0	2.0	229
Pacific	18,930,503	14,913,365	33,843,868	501,832	34,345,700	4,649,998	38,995,698	69.8	30.2	22,997	8,231	81.3	18.7	6,355
Canada	208,004,035	148,714,838	356,718,873	7,185,350	363,904,223	37,288,029	401,192,252	65.0	35.0	178,986	62,635	79.4	20.6	49,952

Note: Expenditures: Training Costs and Part-Time Costs have been proportioned from actual figures.
(1) Includes Training Improvement Program Expenditures.
(2) Part-Time Trainee Data is not Available by Sex.

RECOGNITION OF LATVIA INDEPENDENCE DAY

Question No. 4,117—**Mr. Robinson:**

Does the government recognize November 18, 1976 as the National Independence Day of Latvia?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): The government of Canada does not recognize the national days of any countries except to the extent that messages of congratulation are sent to the heads of state or government of countries with which Canada has diplomatic relations. These anniversaries are listed in the publication "Diplomatic Corps and Consular and Other Representatives in Canada." Canada does not have diplomatic relations with Latvia. This does not mean that the date mentioned is not the anniversary of a real historical event.

RECOGNITION OF LITHUANIAN INDEPENDENCE DAY

Question No. 4,118—**Mr. Robinson:**

Does the government recognize February 16, 1976 as the National Independence Day of Lithuania?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): The Government of Canada does not recognize the national days of any countries except to the extent that messages of congratulation are sent to the heads of state or government of countries with which Canada has diplomatic relations. These anniversaries are listed in the publication "Diplomatic Corps and Consular and Other Representatives in Canada." Canada does not have diplomatic relations with Lithuania. This does not mean that the date mentioned is not the anniversary of a real historical event.

RECOGNITION OF ESTONIAN INDEPENDENCE DAY

Question No. 4,127—**Mr. Robinson:**

Does the government recognize February 24, 1976 as the National Independence Day of Estonia?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): The government of Canada does not recognize the national days of any countries except to the extent that messages of congratulations are sent to the heads of state or government of countries with which Canada has diplomatic relations. These anniversaries are listed in the publication "Diplomatic Corps and Consular and Other Representatives in Canada." Canada does not have diplomatic relations with Estonia. This does not mean that the date mentioned is not the anniversary of a real historical event.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—GOVERNMENT FAILURE TO INSTITUTE INQUIRY INTO ALLEGED INTERFERENCE WITH JUDICIAL PROCESS BY SOME MINISTERS

Mr. Edward Broadbent (Oshawa-Whitby) moved:

That in view of the grievous damage the Prime Minister has done to the Canadian democratic system by refusing to accept the resignation of the Minister of Public Works, by not insisting on a full statement to the House by the Minister of Consumer and Corporate Affairs, and by failing to set up an independent inquiry into alleged interference in the course of justice by cabinet ministers, this House declares that the present government does not possess the confidence of the House or the country.

He said: Mr. Speaker, the last two weeks in the House of Commons have not been a pleasant experience for people or for members on either side of the House with any degree of sensitivity. Speaking for myself, I went into politics primarily to devote whatever energy and talents I may have to the question of the redistribution of power and income in Canada, which I take to be the principal concern of my political party.

It has not been pleasant to get involved in what is essentially a moral issue. What is at stake in the motion being moved today is the moral character of the present government. That is something that I, my colleagues and the official opposition, have been calling into question for some days now. During the past two weeks the government has revealed itself to be both dishonourable and arrogant in its actions. Three ministers of the Crown have had their

behaviour described as either improper or grave by judges on the bench of Canada.

The former minister of consumer and corporate affairs has been deeply involved in the whole question at issue. Until today, and in fact including today, he has had neither the forthrightness nor the sense of propriety to make a statement which clearly acknowledges his own wrongdoing. He hid, and hid falsely, in the past two weeks behind a legalism which no lawyer on either side of the House would support, instead of coming clean about his role in the procedures and steps that led to the submission of a resignation by a minister, even though it was quickly rejected by the Prime Minister (Mr. Trudeau). Even today, when the hon. member for Papineau (Mr. Ouellet) got to his feet to submit his resignation, we did not get, as the sequence of events unfolded, an admission of his own culpability.

Later in the question period, the Prime Minister answered a question from a Liberal backbencher as to the reason for the resignation. There was no acknowledgement in the letter of resignation from the hon. member for Papineau, the letter to which the Prime Minister referred, that he was guilty of some wrongdoing. The reason the minister gave this afternoon for resigning is simply incredible. Essentially what he said was that he could not carry out his ministerial responsibilities while another case in which he is involved was proceeding through the courts. I say, again, that is an absurd reason. The only reason for resigning is the one he should have given, namely, of wrongdoing in the first place. I will come to that in a few minutes.

To complete the week, as if it were not bad enough, in which we had this description of wrongdoing by three and, indeed, four ministers, we had the Prime Minister make what I thought was the most disreputable decision of his political life last Friday. In a serious perversion of the principles of parliamentary democracy without parallel in our country or in any other parliamentary system, he refused to accept the resignation of a minister whose involvement in the judicial process was seen by everyone, including the minister, as being wrong, unacceptable and unworthy of a member of a Canadian cabinet. In so doing, the Prime Minister revealed in the most glaring fashion that he has no real understanding either of democracy or of the spirit of the rule of law.

The right hon. gentleman sees our country as being ruled by a family or gentlemen's club of which he is the titular head. While it is appropriate for all other Canadians to obey the law, he and his ministers need not do so. The law of the constitution is to be obeyed or ignored, depending on the convenience of the Prime Minister and depending in part also on whether the violators are caught. If they are caught, as members of the club or family, the Prime Minister will accept their apologies, gently admonish them and carry on as if nothing of significance had happened. If members of the opposition have the audacity to raise questions about this process, the Prime Minister has the fatuous gall to suggest that we in the opposition are wrong for pursuing such a course.

The state is not a family. Those who make the law in a democratic state must themselves be subject to its laws and constitution. This is precisely what the Prime Minister fails to understand, as his casual and foolish retention of

the Minister of Public Works (Mr. Drury) makes clear. The Prime Minister, I say with some sadness, but seriously, is an elitist who had the misfortune of being born in a democratic age. But his undemocratic behaviour must stop, or be stopped by members of the House of Commons.

Some hon. Members: Hear, hear!

Mr. Broadbent: The sender of a telegram which arrived in my office this morning expressed it as follows:

> Sanctioning impropriety is the first step toward condoning illegality.

● (1540)

Another telegram among a considerable batch which arrived in my office just before lunch reads as follows:

> I am a Liberal but for the sake of representative government in this country I believe the government must fall for its flagrant abuses of the parliamentary system and the trust the people once placed in them.

That is from a Liberal. I think it sums up the attitude of people from one coast to the other who have been revolted by the course of action taken by the government in recent days.

I want to say something about two of the individual cases involved and why we think there are important, unresolved questions with which only a public inquiry can deal. First, the situation involving the Minister of National Health and Welfare (Mr. Lalonde). As we know—and this is beyond dispute—the minister went to see Mr. Justice Mackay concerning a trial in process in which the defendants were students who had taken part in a disturbance at Sir George Williams University. Here is what Mr. Justice Mackay said in the course of a letter submitted to the Chief Justice of the Superior Court of Quebec: he said the minister "felt the situation was so serious that it was decided to see me with a view to delaying the jury's decision." Judge Mackay continues:

> I was inwardly disturbed by this visit. Not only did I feel I was being asked to see that the jury's decision was delayed, but if for any reason the defence attorneys learned of the visit there was a possibility of a mistrial after an arduous and expensive eight-week trial.

Mr. Speaker, as clearly as the English language could make any point, if what Judge Mackay tells us actually took place, what happened on that occasion was an attempt to interfere with the judicial process by exercising influence. It is important to note that in Judge Deschênes' report to the Minister of Justice (Mr. Basford) he does not pass judgment on this particular case in one way or another, as he did on other aspects of his report with reference to other ministers involved. He lets the facts speak for themselves. The minister involved has stated in the House on a number of occasions, more particularly last Friday, that what Judge Mackay says is not the case. He has told us that the purpose of seeing the judge was not to influence, alter or change judicial behaviour with regard to a case which was in process, but simply to ascertain information concerning a date in the proceedings.

What are the issues which are unresolved? I submit the incident cannot be dismissed as something which took place years ago and which ought, therefore, to be left in the dustbin of history. There are many present implications arising from this situation, questions which come to mind and which must be settled. First, either Judge Mackay or the Minister of National Health and Welfare is providing us, to resort to a euphemism, with some misinformation. To

put it more bluntly, either the judge is lying or the minister is lying. Neither man's statement can be seen as resulting from some slight lapse of memory. Such a suggestion cannot be taken seriously.

How are we to get to the truth of this matter? The Prime Minister has been telling us we are in possession of all the facts. That is absurd, if only because some more facts came out today. One of the advantages of an inquiry would be precisely the advantage which comes from cross-examination to find out who was misinforming whom. If it is the Minister of National Health and Welfare who has been misinforming us, he should go from the cabinet forthwith. If, on the other hand, Judge Mackay is lying, he should be removed from the bench. I will put it as bluntly as that.

Mr. Roy (Timmins): Hear, hear!

Mr. Broadbent: We cannot have a man on the bench who is systematically stating mistruths.

An hon. Member: We have to find out.

Mr. Broadbent: A Liberal is cheering the point. I turn to him and say that the only way of resolving the issue is to have a public inquiry.

An hon. Member: The member for Timmins (Mr. Roy) is cheering.

Mr. Broadbent: Yes. I hope the hon. member for Timmins is going to vote with us on this motion. If he doesn't, he will just get a continued cover-up as in the past two weeks.

Mr. Benjamin: This is the first time he has been in *Hansard*.

Mr. Broadbent: I should like to remind the Prime Minister that early in the 1960s, in Great Britain, in the Profumo case, when Mr. Profumo, then minister of war, resigned from the Macmillan cabinet he did so—I recall this because I happened to be there—not because of an indiscretion with a prostitute, but because he was caught lying to the House of Commons and to fellow members of the cabinet. As soon as that became known, Mr. Macmillan made it clear to him forthwith that his resignation was expected. The resignation came, and was promptly accepted. Mr. Profumo took the honourable course of action in offering it, and so did the prime minister in demanding and accepting it. So the Lalonde case, if I may call it that, is important because it has everything to do, not simply with past behaviour but with the present integrity of members of the cabinet. This integrity must be maintained whatever partisan differences exist in the House of Commons. There must be complete faith in the honesty of members of the cabinet.

The second case about which I want to say something is the case involving the Minister of Public Works. We know that Judge Hugessen was considering the appeal of the former minister of consumer and corporate affairs who was facing a charge of contempt. We know, and this is on the record, that the Minister of Public Works telephoned Judge Hugessen to discuss two points: first, to determine whether an apology would bring proceedings to an end and, second, to inform the judge that some in Ottawa were saying there was an English-speaking establishment gang-up taking place in opposition to French-Canadian ministers, more particularly Mr. Ouellet.

Alleged Interference with Judiciary

Concerning the point as to ganging-up, Judge Hugessen reports—I am choosing the words with care, and quoting them—that he thought the point "ridiculous" and that he "could not even consider" such matters. Judge Hugessen went on to say that in his opinion the Minister of Public Works was trying to "head off a confrontation between the executive and the judicial branches of government." It is also true to say that at the conclusion of his report, Judge Hugessen stated, "I did not think he was attempting to influence my judgment." With all due respect to Judge Hugessen—and of course I am not questioning his integrity on this point—I am going to say something about his judgment and use of language.

● (1550)

The Minister of Public Works got in touch with the judge and made certain claims to which the judge responded. One word he used was "ridiculous"; a second phrase was that "he could not even consider"; and further on he said that the purpose of the conversation was to "head off a confrontation between the executive and the judicial branches of government".

I submit that if the English language means anything, the only purpose that the Minister of Public Works would have in making that phone call was to influence the judge. That is precisely what we mean when we use the word "influence". I checked the meaning of that word in the Oxford dictionary, and the definition is "to have an effect upon". What other purpose would there be in making a phone call to convey that kind of information, if the caller did not intend to influence the judge? I repeat, that is my clear judgment of what was involved. Because this was the unequivocal purpose of what is the normal use of that language, I submit that the course of action taken by the Minister of Public Works was wrong, wrong, wrong, that he should resubmit his resignation and that it should be accepted by the Prime Minister.

I should now like to turn to the case of the former minister of consumer and corporate affairs. If there were ever gradations of wrongdoing among the five people involved in the past week, he must be near the top. He sat there silently over the past two weeks, systematically refusing to answer questions, when for a good part of the time another minister was in one sense taking the blame for a certain course of action. Today the minister rose in this House and announced his resignation. I have a tendency to be naive at times, Mr. Speaker, but we cannot go through another phony routine of the sort we had last Friday. Surely the minister is going to get up and say that he did something wrong, as a result of which he is submitting his resignation.

I listened to the minister with care, but he did not once say he had done something wrong. When the Prime Minister replied to the question of a Liberal backbencher later on, the Prime Minister did not say that the former minister of consumer and corporate affairs had done something wrong. Not at all. What the former minister said was that he needs to be relieved of his ministerial duties so he can fight his present court battle.

I ask you, Mr. Speaker, is that the acknowledgement of cabinet responsibility? Is that the demonstrable kind of moral leadership that we expect on questions of integrity?

I am not talking about economic policy. Even as late as today the minister does not see that he has done something wrong. He gets to his feet today and says, "Yes, I spoke to the Minister of Public Works and I did urge him to go to the judge and present him with some information. If I give an apology does that mean I will be let off?" In effect, that is what he said. Having stated that, he does not acknowledge it is wrong. This is what this whole debate is about, in a sense. The minister does not recognize today that what he did was wrong, just as the Prime Minister and his colleagues over the past two weeks have not recognized the impropriety of such behaviour.

I have no doubt of the scenario that is in the mind of the Prime Minister, and it is this. Once the court proceedings are finished in the hon. member for Papineau's case, the Prime Minister will trot out his letter of resignation and say, "You see, his resignation had nothing to do with interference with the judicial process; oh no, God forbid. The reason he resigned was to fight his case. Now his case is over, of course, we can take him back in the ministry". I predict that that course of events has likely already occurred to the Prime Minister, just as the sequence of last Friday, where one minister submits his resignation in the morning and it is withdrawn in the afternoon, had probably been worked out the previous Thursday night.

There are a number of very serious questions that remain unanswered, Mr. Speaker. Did the hon. member for Papineau tell the Prime Minister about his involvement with the Minister of Public Works? Did he, in the past two weeks, go to him and say, "Yes, I urged him to have the conversation with the judge", which he described here today? If he did, we never knew it from the Prime Minister. He kept telling us that he had all the facts, but he did not take the trouble to give them to us. All he said, with great care was, "I have listened to both sides and I have decided there was no wrongdoing".

If the Prime Minister heard from the former minister of consumer and corporate affairs, and he then went to the Minister of Public Works to urge him to intervene with the judge, then I seriously submit that the Prime Minister himself has been derelict in his responsibility as Prime Minister of this country. We want to know about those conversations, about what the Prime Minister knew about the case, and when he was told. We want to know what conversations took place between the Minister of Public Works and the hon. member for Papineau. Yet we have all this talk of cabinet solidarity, supported by backbenchers who don't have one ounce of the courage of the backbenchers of Great Britain in both Labour and Conservative parties who would have revolted weeks ago over an issue like this.

Some hon. Members: Hear, hear!

Mr. Broadbent: Let me remind howling Liberal backbenchers that a man named Favreau resigned from this House not that long ago. The reason for his resignation is also important. The reason he submitted his resignation was that he had misinformed his Prime Minister. We want to know how many ministers on that side may well have misinformed their Prime Minister on this issue. If the Prime Minister has been misinformed by those ministers, they should be out of the cabinet. If, in turn, he has been told the truth, then he should resign as Prime Minister.

In conclusion, Mr. Speaker, I said at the outset that the government's action during the past two weeks has been dishonourable, and I repeat that. The Prime Minister and his government have done a profound disservice to parliamentary democracy in our country. Ministers have abrogated their serious obligation to keep distinct the judicial and executive functions of government in our country. By not reacting swiftly to obtain or accept resignations in such a situation, the Prime Minister himself has abused the responsibility of his office. By treating such conduct by ministers as a mere breach of good conduct among gentlemen in a club, the Prime Minister has trivialized, in a cynical way, constitutional law and practice in our country, and I say in all seriousness that he has fed the forces already loose in our country that promote disregard of the law.

By not having insisted that the role played in this affair by the minister of consumer and corporate affairs and by others be fully aired, the Prime Minister has left himself and our institutions open to the serious charge of a cover-up. The integrity of the Prime Minister's office itself is open to challenge on this issue. This, Mr. Speaker, constitutes, I submit, a great disservice to the people of our land.

Some hon. Members: Question.

Mr. Deputy Speaker: Is the House ready for the question? L'honorable député de Roberval (Mr. Gauthier).

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

Mr. Deputy Speaker: Order. The Leader of the Opposition (Mr. Clark) is rising on a point of order.

Mr. Clark: My point of order, sir, is that I am operating under the expectation that, in the normal course of events on this opposition day, the Prime Minister (Mr. Trudeau) having heard the introducer of the motion, would now want to speak. Naturally, I look forward to the opportunity of hearing him.

● (1600)

An hon. Member: Then sit down.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. The hon. Leader of the Opposition (Mr. Clark) knows that this is hardly a point of order. Hon. members are recognized by the Chair according to the usual practice which the Chair tries to follow. The hon. Leader of the Opposition did not rise, and I recognized the hon. member for Roberval (Mr. Gauthier).

Mr. Clark: Fine.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I must admit I feel very honoured today. I thought I was being mistaken for the leader of the official opposition. I am not too sure what happened but anyway I am pleased I have been given the floor. Mr. Speaker, I think the NDP members are trying to correct the mistake they made yesterday when they moved for adjourment simply to stop working

and go and doze in their offices. We are here to work and we proved it yesterday, that is why we voted against their motion.

Today, the motion tabled before the House includes three issues within one problem concerning the independence of our judiciary system. I shall attempt to refer to all three briefly.

The mover states:

That in the view of the grievous damage the Prime Minister has done to the Canadian democratic system by refusing to accept the resignation of the Minister of Public Works . . .

—that the government can no longer have the confidence of the House following the questions of privilege raised on March 12, 1976 by the President of the Treasury Board (Mr. Chrétien), the Minister of National Health and Welfare (Mr. Lalonde) and the Minister of Public Works (Mr. Drury), when the first expressed his regrets to Mr. Justice Aronovitch, the second also did so to Mr. Justice MacKay and the third one gave us a frank explanation, and even indicated he was glad that Mr. Justice Hugessen said that, in his view, the Minister of Public Works did not attempt to influence his judgment in the case of the Minister of Consumer and Corporate Affairs.

After professing his belief in the independence of the judiciary, the Minister of Public Works (M. Drury) said that he was in complete agreement with the Associate Chief Justice and stated impressively in the House, and I quote:

I very much regret taking the action which I did and which the Associate Chief Justice has characterized as improper, and for this I sincerely and deeply apologize to all those affected. I have, accordingly, tendered to the Prime Minister (Mr. Trudeau) my resignation from the ministry.

That, Mr. Speaker, was the action of a gentleman who recognized his mistakes and did the only thing he could do. Everyone in this House respected the gesture of the Minister of Public Works and was glad to end all these discussions which do not contribute to the effective running of the business of the House. I have always thought that by so acting for the greater interest of Canadian justice, the resigning minister, far from humiliating himself, drew the admiration of the Canadian people. Indeed, when I spoke after his resignation, I spoke with the greatest of sincerity, Mr. Speaker, and said this:

Mr. Speaker, I think the event which concerns us this morning must be a landmark in the judicial history of our country. And I hope that after all the events of the last few days, today's discussions and actions will result in a warranty of the integrity of our judicial system all over Canada.

This morning, we heard excuses from various ministers . . . This morning, we accept, not lightheartedly, the resignation of a minister. He is one of the ministers I admired most in the House for his honesty and integrity. This probably shows that we the people—I want to be the people's voice—see that the function of minister is not always a sinecure, that this function brings some responsibilities. Above all, the ministers being surrounded as they are by people who constantly clamour for more, I can understand that they, or hon. members, might be tempted to try and give more help to those around them who exert pressures ceaselessly. That is how I see the work the minister did with the judge, and I congratulate him for his action this morning; it is a guarantee for Canada that, among parliamentarians, there are still people who can recognize that they may have gone too far, who can go back and bow before the requirements of public interest.

I shall stop here, Mr. Speaker, and simply say that following this resignation that everyone accepted and after learning through the newspapers that the right hon. Prime Minister had a long talk with the Minister of Public Works before he made his statement, I was convinced there had been agreement on what the Minister of Public Works (Mr. Drury) did. Had that meeting not given positive results, there was no point then in the Minister of Public Works tendering his resignation. If he knew in advance that it would not be accepted, why tender it? Did they want to give a show in this House and mock the people?

I confess quite sincerely, Mr. Speaker, that I was astounded when I heard the right hon. Prime Minister say he did not accept the resignation of the Minister of Public Works. I had so much confidence in the sincerity of the resigning minister that I thought he would rise immediately in the manner of the good military man he was and state to the Prime Minister that his decision was beyond appeal. But nothing of the kind happened, and there is this impression that everything was well orchestrated in advance to give more zest to the statements.

And what does the people think about all that? That it has to pay the piper again and that our justice will continue to be under the influence of all political currents. The various governments will continue to appoint judges of their choice who are highly regarded in the party or have served the party well.

After all that attempts will still be made to convince the people that our judicial system is safe from any political influence. What is urgently needed is a reform of our judicial system so those political appointments will stop once and for all.

As to the Minister of National Health and Welfare (Mr. Lalonde), I will be brief because his case dates back several years when he was not even a minister. I want to say, Mr. Speaker, that I never dig out the dead. My function is to bury them well.

If the Minister of Consumer and Corporate Affairs did what he had to do this afternoon it is because he accepts to free justice and at the same time, hopefully, perhaps speed up the fight undertaken against the cartels that control our Canadian economy.

I must admit, Mr. Speaker, that as far as Mr. Justice Mackay is concerned, I cannot but share the views of the Minister of Consumer and Corporate Affairs (Mr. Ouellet). Incidentally, all the people I have met are unanimous in saying that the three sugar companies constitute one of the most dangerous trust ever against consumers, who were obliged to pay appalling prices for sugar. When will this government stop protecting all these trusts which determine our living conditions and are primarily responsible for the inflation we have been facing for the past few years?

The working people are again punished because of inflation, whereas all these trusts of every description can operate freely and make substantial profits every month.

Mr. Speaker, the motion also refers to setting up an inquiry. As regards the setting up of an independent inquiry into interference by a cabinet minister, I suggest, when all players have left the arena, that it will be useless to spend millions of dollars on analyzing a debate that will be completed, but this is on the clear understanding that the

Minister of Public Works (Mr. Drury) holds to his initial decision.

As long as this situation will prevail, I will have to support motions like the one before us, which clearly states the matters at issue.

● (1610)

[*English*]

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, having regard to the very grave seriousness, not only of this matter but of the substance of the motion moved by the hon. member for Oshawa-Whitby (Mr. Broadbent), I would have thought that the Prime Minister (Mr. Trudeau) would have sought the first possible opportunity to rise in his place to indicate his position and that of the government on this question.

Some hon. Members: Hear, hear!

Mr. Clark: However, since it is clear that he would rather follow me than precede me, I am pleased to rise to speak now. I enter this debate, naturally, with a very deep sense of concern for the issue and for the country, and also in the knowledge that a great responsibility has been placed upon the shoulders of the opposition in this parliament. We are engaged in what may turn out to be a very long struggle to bring a powerful government to account on a series of events that are cutting away at the foundations of Canadian democracy.

Some hon. Members: Hear, hear!

Mr. Clark: Our immediate task is to repair confidence in the independence of the courts in Canada and to make this government give parliament and the citizens of Canada information, much of which the Prime Minister now possesses, about the conduct of his ministers in relation to the courts. However, there is another question too, and that is the question of public confidence in this institution. During the last few years it has been fashionable to say that parliamentary democracies offer the most effective checks on arrogant and secretive governments. That proposition is now being put to the test. I should say, Mr. Speaker, that while none of us has felt any happiness at the personal anguish involved in the proceedings that have unfolded in the last ten days, I think we can all be proud of the role that parliament has played, because parliament, working with a free and active press and with the support of the courts, has forced this government to take action which the government clearly would not have taken if left alone.

Some hon. Members: Hear, hear!

Mr. Clark: One minister has resigned; another minister seemed to have resigned, and certainly should have. The report of Mr. Justice Deschênes has been published, in part because the judge felt that the pressures raised on this question by parliament required that the report be published.

Some hon. Members: Hear, hear!

Mr. Clark: So parliament has proven its strength and effectiveness in these last days, as we will continue to do, although there has been no thanks in that regard to the government.

[Mr. Gauthier (Roberval).]

[*Translation*]

In this whole business, the Prime Minister deliberately used a diversion tactic, by refusing, basing himself on false premises, to direct a public inquiry. One thing is clear: the Chief Justice acknowledged the restricted nature of his action. He clearly stated: "I was not appointed to conduct a commission of inquiry and of course it is obviously not one of my functions to set myself up as a semi-official investigator on behalf of the House of Commons."

This statement, among others things, brings two facts to light: first, Mr. Justice Deschênes did not conclude that there was no attempt to influence the normal course of justice; in fact, the Chief Justice clearly said that he neither could nor would judge the conduct of the Minister of Public Works. All he did was exonerate his own court; second, the Associate Chief of Justice could only say that he had not been influenced and that he could not judge Mr. Justice Mackay's allegations because he had not been aware of the conversations between the two ministers.

[*English*]

In refusing a serious and full investigation yesterday into these matters, the Prime Minister said:

> In so far as investigation of the facts, we believe that the facts which have to be known, in so far as they might or might not have consisted of contempt of court or interference with justice have now been made known by the courts.

The Prime Minister might believe, or might pretend to believe, that these are the only facts that need to be known. But we in this parliament also need to know the facts and all the facts, not just those trickled out by ministers as they resign but all the facts about any conversations between ministers which led to an intervention, which has been admitted, with the courts of the land.

● (1620)

We need to know the full facts about any conversations between representatives of the Prime Minister and the judge hearing the case involving students from Trinidad, and we need to know any other facts which may be relevant. Just so the issue may be clear, we absolutely do not accept the position of the Prime Minister that he alone is competent in this case to judge the propriety of the conduct of his colleagues.

Some hon. Members: Hear, hear!

Mr. Clark: That is particularly the case since the Prime Minister himself, on page 11660 of *Hansard*, said that he had had conversations with the hon. member for Papineau (Mr. Ouellet) and with the Minister of Public Works (Mr. Drury), and that as a result of those conversations he had found that their answers, and presumably their conduct, was satisfactory. He admitted that he had been informed about the conversations which had occurred before the intervention. If he knew what the hon. member for Papineau—the Prime Minister shakes his head. Let me be clear as to what I am saying. My reading as to his remarks is that he had been told by his ministers all that had transpired between them before there was an intervention with the courts. It was not that his knowledge preceded the intervention, but that he knew what had occurred prior to

the intervention and that he had found that conduct, in his words, satisfactory.

Some hon. Members: Shame!

Mr. Clark: He now nods, again, that he had found—

An hon. Member: He doesn't know what he is nodding for. He doesn't know right from wrong, or left from right.

Some hon. Members: Hear, hear!

Mr. Clark: Henceforth, I will refrain from trying to interpret the nods of the Prime Minister which appear to be as inconsistent and difficult to follow as his oral responses.

Some hon. Members: Hear, hear!

Mr. Clark: However, I say to him that if he knew all the facts, including those raised by the hon. member for Papineau today, relative to the conversations with the Minister of Public Works, and found those facts to be satisfactory, then there may very well be cause for this House to question not only his judgment but also the degree of his own involvement in this matter.

Some hon. Members: Hear, hear!

Mr. Clark: That is a question which a full inquiry would help us to determine.

There are two other serious questions which we have a duty to pursue. The first concerns the standards of this government, and the second concerns the right of parliament to information. I believe it is of fundamental importance that all members of this House and, indeed, all Canadians, fully understand this Prime Minister's approach to political morality—what I might call the Trudeau doctrine. In essence, what the Prime Minister has been telling us for the past several days is that as far as he is concerned, the only code of ethics which he applies to his ministers and his supporters is the Criminal Code.

Some hon. Members: Hear, hear!

Mr. Clark: His position, and he has set it forth on numerous occasions, is that only in cases of clearly illegal action—as a matter of fact, outside the House he spoke of serious illegal action—would he feel it necessary to take any effective disciplinary action against a member of his party. Indeed, the Prime Minister goes even further than that. He has suggested on several occasions in the House—most recently, today—that if the opposition wants information about the activities of ministers, we must first lay a charge that is a perversion of the principles of responsible government.

Some hon. Members: Hear, hear!

Mr. Clark: The Prime Minister knows it is a perversion; but let me say that if he will give us the facts instead of hiding them, and if the facts reveal that charges should be laid, they will be laid.

Some hon. Members: Hear, hear!

Mr. Clark: But let us first have the facts so that this institution will not be poisoned by the suspicion that, just as the investigation by Judge Deschênes revealed actions the judge called grave, a wider investigation would reveal other damaging behaviour. Let me also make it clear that I do not accept for a moment the Prime Minister's pretence that the only standard which applies to a minister is the criminal law. Let me remind the Prime Minister of the much sterner standards set by his predecessor, the late Right Hon. Lester B. Pearson, on November 30, 1964, in a code of conduct for his ministers. Mr. Pearson said:

> It is by no means sufficient for a person in the office of a minister—or in any other position of responsibility in the public service—to act within the law. That goes without saying. Much more is required. There is an obligation not simply to observe the law but to act in a manner so scrupulous that it will bear the closest public scrutiny. The conduct of public business must be beyond question in terms of moral standards, objectivity and equality of treatment.

Mr. Pearson went on to say that there can be no special treatment on the ground of personal acquaintance, sympathy or anything of that kind.

Some hon. Members: Hear, hear!

Mr. Clark: I add that the responsibility for ensuring that standard does not rest solely with me and with my colleagues here on the opposition side. It is a primary responsibility of the Prime Minister of Canada as head of government.

Some hon. Members: Hear, hear!

Mr. Clark: And we profoundly regret his refusal to exercise that responsibility.

Some hon. Members: Hear, hear!

Mr. Clark: Just so that there is not the slightest misunderstanding, I want to emphasize that we in this party, and I as its leader, do not subscribe to the lack of standards of the present Prime Minister. The Progressive Conservative government which we will form after the next election—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Clark: —and we would welcome it whenever the Prime Minister chooses to call it, will have much higher standards and I, as leader, will enforce them. To demand nothing more than that ministers avoid doing that which is seriously illegal is to set no standard at all.

Some hon. Members: Hear, hear!

Mr. Clark: It is, indeed, to demean the whole concept of political ethics at a time when, instead, they require to be lifted up, not battered down.

Some hon. Members: Hear, hear!

Mr. Clark: In refusing to accept the resignation of the Minister of Public Works, the Prime Minister has put himself, the minister and this House into an untenable position. How can it continue to be perceived that the minister took an honourable course in offering his resignation, when four scant hours later it was rejected? Now we

have the former minister of consumer and corporate affairs, the hon. member for Papineau, resigning with the lame excuse that the reason for his resignation was so that he could better attend to his case in court, instead of dealing with what most of us in this House, until we are in receipt of a full version of the facts, must assume were pressures which flowed from his involvement in the intervention with the judge in that case.

Some hon. Members: Hear, hear!

● (1630)

Mr. Clark: The action of this government and of the Prime Minister cast doubt upon all the actions of the government. I say, sir, that we in this House might as well be doing business with the operator of a shell game—"Now you see it, now you don't."

Some hon. Members: Hear, hear!

Mr. Clark: There is no honour in this kind of operation; there is no integrity in it. There is sharpness, there is cleverness, there is talent of a sort, there is bravado—but there is no honour and integrity, and these are fundamental elements to the function of this assembly. They are not luxuries, they are fundamental, sir—and when they are lost to this House, then the country has lost something far more important to it than losing the usefulness of any minister, regardless of that minister's record of distinction.

Some hon. Members: Hear, hear!

Mr. Clark: Those of us who place any value upon our responsibility as members of this institution—and this applies to members on all sides of the House—will not sit silently by and let the Prime Minister of Canada and his ministers continue to keep from parliament and the people facts which we should have.

[*Translation*]

It is not the first time that the Prime Minister (Mr. Trudeau) resorts to evasions and refuses to dialogue honestly and frankly with the people of Canada. The history of this government is made up of repeated efforts to conceal the truth, to refuse to answer questions and to set up inquiries on national matters of the highest importance to all Canadians. This was the case among others in the matter of the Hamilton harbour, the Seafarers' International Union—

[*English*]

And it is the case again today.

In this matter we have heard from the courts as to their inquiry, and while two ministers of the Crown are now prepared to question the testimony of judges of the courts, we in this party are not. We are prepared to accept, of course, the probity of the judges. But the question of the propriety of conduct of federal ministers is not a question for the court of any province. It is a question for the highest court in the land—this parliament. Because of that, we in this party believe, as my colleague the hon. member for Calgary North (Mr. Woolliams) made clear on the first day this matter was raised in parliament, that the terms of reference of an inquiry should first be submitted to this House for consideration, and amendment if necessary, so there can be certainty that the inquiry will be complete. If there is not a public inquiry, or if it is not an adequate inquiry, that will be perceived as a cover-up which will tarnish the reputation of the whole of parliament.

This House must have the information it seeks. Canadians must have the kind of public investigation they deserve—and, clearly, the Minister of Public Works must leave his post in the government.

Some hon. Members: Hear, hear!

Mr. Clark: These are the conditions which must be met if the standards of parliamentary democracy are to be redeemed. In preserving the worthiness of this institution and preserving respect for our Canadian way of conducting our affairs, there are no short-cuts and no easy ways out. Perversion of democracy in the name of efficiency, in the name of friendship, even in the name of loyalty, is perversion nonetheless and it simply cannot be suffered lightly.

Some hon. Members: Hear, hear!

Mr. Clark: We do not take this matter lightly. The word "grave" is appropriate as we have seen it applied in the Deschênes report. In response to the gravity of the matter, we will later today vote no confidence in the government. That, sir, will not be a mere move in a parliamentary game, as we have seen on the other side during the last few days: it will be a simple, serious demonstration of our duty.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the motion of no confidence criticizes me, the Prime Minister, on three grounds. I shall deal with the three in turn. The first is that I refused the resignation of the Minister of Public Works (Mr. Drury). Mr. Speaker, very briefly I should like to remind the House of the origin of this matter. It originated in contempt proceedings which are of a special kind. There are two mechanisms for proceeding in contempt proceedings. One is by way of indictment or accusation where there are two parties, the Crown on one side and the accused on the other, each with their lawyer, and the judge in a criminal case who tries to judge between the Crown and the accused—the accused always, under our system, having the benefit of the doubt—and trying to reach the fairest and most equitable judgment.

The other procedure, which is less and less used in democratic countries, is where the judge or the courts judge, themselves, whether they have been offended or not. There are no two parties, the Crown and the accused, but the courts are sitting in judgment to determine whether they have been interfered with or otherwise outraged or influenced. In this case, the second course was taken.

It is important to remember that the time-honoured avenue of answering this kind of accusation is to make a proper apology, the kind of apology which would be acceptable to the courts.

Mr. Woolliams: He would not apologize.

Mr. Trudeau: In the particular procedure which was chosen, it was necessary, therefore, to ask the courts themselves. I am not saying the procedure was right. I did

criticize the minister for having used the procedure. But I am going back to the origins of this so that the House and the country understand that in this particular contempt proceeding, the courts were sitting in judgment on whether they had been offended, and it was in some way important to get to know from the courts how, and what, kind of apology they would accept.

This having been established, I said in my statement on Friday that there were different interpretations, in different jurisdictions and in different circumstances, on the question of how do you approach the courts in such circumstances. I laid out those rules in brief form, in summary form, on Friday so that in the future these rules be known and that they be part of the code of conduct of this and, I hope, future governments. I will not deal with that at any length because the Minister of Justice (Mr. Basford), whose proper duty it is, will explain those rules at greater length, and I think the statement of them in an unambiguous way is important so that in future such cases, and any others, people in the government know how to address themselves to the courts.

Therefore, Mr. Speaker, the essential judgment which remains is that there was improper conduct by the Minister of Public Works in this case. It should be noted that it was not illegal conduct; that it was not complained of by the judge at the time. It was not regarded by that judge as an attempt to influence his judgment. It was not found by the judge or, for that matter, by the Chief Justice, to constitute an interference with the judicial process. Actually, the law officers of the Crown stated that in their opinion there was no such offence. The Minister of Justice will talk about this later. This improper action, this impropriety, was not undertaken for reasons of personal advantage. On the contrary, Mr. Justice Hugessen felt that it was done for the best of motives. He went on to say what he believed those motives were.

● (1640)

The House will remember that I did not condone this action. I even said that I regard it as a serious lapse of judgment. So the question before the House and the question before me is, what should the minister's punishment be for that lapse of judgment, for that improper act? That is the judgment I must make. It is a judgment for which I am accountable to this House. I am speaking to this motion in proper fashion. Incidentally, I am told that I am speaking in my normal turn, as is customary for government members who answer on opposition days. As I say, it is a judgment for which I am accountable. It is one which—I say this without pretension—keeps in mind the best interests of justice and of the country.

On the one hand we have to consider the importance of preserving parliamentary institutions and judicial institutions intact and making sure, to use the words of some commentators, that they are not brought into opprobrium through misconduct. On the other hand we have to consider the reputation and future career of a devoted and honourable public servant.

Some hon. Members: Hear, hear!

Mr. Trudeau: Before I give some of the reasons for my judgment and assessment, it is not unimportant to remind the House that at this time we are to debate two major bills which will amend the Criminal Code. It is not unimportant to consider what part humanity and charity should play in the administration of justice.

I repeat, there has been no illegality, only impropriety. What should the punishment be in this particular case? I suppose that punishment is intended, in the first place, as a discipline. It is intended, partly, to discipline ministers, partly to act as an example for the future, and partly to establish that the sense of propriety has been respected and will be maintained.

Let me deal with the first part, the question of disciplining the minister. Well, let us begin with the fact that the minister apologized. We know, as the opposition previously said, that the minister has a recognized reputation in all parts of the country and all sides of the House for honour and devotion to duty. We know that he has served this country for over 30 years in war and in peace, in the armed services and in the public service. He has an unblemished record.

Mr. Broadbent: That is totally irrelevant.

Mr. Trudeau: We know, Mr. Speaker, that for over 15 of those more than 30 years he has served as a distinguished, modest parliamentarian. Against all this we must place the fact that I condemned him publicly in the House by not condoning his error of judgment, the embarrassment he has faced in the past few weeks in this House and in the country and, sad to say, the enduring humiliation caused by the words of the Chief Justice and in this very debate. As well, he apologized for his conduct. I judged him—but he was also judged by hon. members and by the country itself. I submit that this was discipline enough for an act which was undertaken with the best of intentions, as the judge himself recognized. It was in no way illegal and was connected with a complex and difficult contempt of court procedure which calls for unusual treatment, as I explained earlier in this debate.

What about the question of setting an example for the future? I suggest that the precedent of these very events is a warning to all of us. Certainly, the clear rule which I enunciated on Friday and which will be elaborated on, is the code for the future. I ask the opposition, do they want a body as well? Why do they want blood as well? Is this their sense of propriety?

I turn now to the question of propriety. Once again, there is some element of subjectivity here. I believe that people will take into account a lifetime of honour and unblemished conduct in considering whether this particular impropriety was punished severely or not.

Let me now comment on the argument concerning a double standard. The argument was mainly raised by the NDP, although I heard Conservatives raise it also. They talk of a double standard, as if a poor man would not have been treated thus. I am not sure what they mean, Mr. Speaker. Do they mean that a poor man would have ended up in jail? Surely not. There has been no illegality here. I do not know that anybody, poor or rich, ends up in jail or, for that matter, pays fines unless found guilty of some offence. Therefore, there are not two standards in the sense that the minister got off lightly for a crime: there was no crime.

The Leader of the Opposition (Mr. Clark) keeps reminding us that what we have done is against the law, and so on. I think the Minister of Justice will deal with that. I notice that he sometimes speaks of the law of the constitution. Mr. Speaker, if he could elaborate on this, perhaps we would know what law the Minister of Public Works broke.

Mr. Broadbent: I will send you a copy of Jennings.

Mr. Trudeau: If he has not broken the law, I suggest that members of parliament and the press or media people who reported it were themselves in a libel situation when they accused the minister of breaking the law. Mr. Speaker, I know of no ordinary or poor person who, having committed an impropriety, would not be forgiven after making an apology. Therefore, when we talk of double standards the only thing we can mean is that a minister should be treated more severely because of his high station and high duty.

Mr. Clark: Precisely.

Mr. Trudeau: But this is completely different from the argument of double standard that has been used thus far. I submit that indeed this double standard, this greater severity, has been applied to, and against, the minister in this particular case. It is important to consider the injury to his reputation and the damage to 30 years of unblemished record caused by this incident, an incident in which he acted with his great generosity and great heart but in an ill-advised way. I think that is the blame, and it is blame enough in this particular case.

● (1650)

I submit, Mr. Speaker, that we have acted with a sense of propriety. We have also acted with a sense of justice—justice for the man, justice with humility, and justice with charity.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Trudeau: Mr. Speaker, the second ground of the motion bears on the fact that I did not insist on the Minister of Consumer and Corporate Affairs (Mr. Ouellet) giving the House a full statement. Considering the shortness of time and since the minister apologized this afternoon and stated that he regretted to be the cause of embarrassment to another minister and he resigned, for all these reasons, I will shorten this part of my speech. I would simply like to remind the House of the extremely difficult, even impossible, situation in which the minister found himself then. On one hand, either he could seek to appeal and obtain a final judgment of the court in the contempt proceedings, that is to say, he could exercise his right, as any citizen, to appeal without any prejudice; but he had to do it at the cost of looking suspicious and causing this suspicion to fall on the government, a situation astutely exploited by some people who would take advantage of his being unable to mention a case which was before the courts, in other words, who knew that he could not be completely open on this case without injuring his own right of appeal and would interpret his silence as an indication that he was hiding something. Or, on the other hand, he renounced his right of appeal, the right of every citizen to defend his honour and the government's honour by making any comments he deemed fit to make on this issue between himself and Mr. Justice MacKay. Mr. Speaker, the minister made a choice. He chose not to be a minister any more in order to pursue his appeal outside the political arena, outside the polarization that took place in this House, and I respect his choice.

Mr. Speaker, clearly there are definite limits in such circumstances to what one may say when one's case is before the courts. I respect his choice and as long as he maintains his appeal, it automatically follows in my view that no one can expect him to speak on every aspect of the case on which the opposition would seek answers.

As for his resignation, I had an opportunity this afternoon to answer a question by the hon. member for Charlevoix (Mr. Lapointe). In my view, that was a serious question. Since I already gave an answer, I will not repeat myself. I would simply remind the House that his resignation had nothing to do, as the minister's remarks indicated, with his communication with the minister of Public Works (Mr. Drury). That communication resulted neither in an illegal act, nor in an attempt to influence the court nor again in an effort to interfere in any way with the administration of justice. The minister made his statement. Since his resignation was tendered before this House and accepted, I believe, Mr. Speaker, I have no further comments on this aspect of the question.

I now come to the third point, that mentioned in the motion now before this House,

[*English*]

I quote the motion:

—by failing to set up an independent inquiry into alleged interference in the course of justice by cabinet ministers—

Here, again, because of the shortness of time—I see the other leaders respected their time: am I exceeding it, Mr. Speaker?

Some hon. Members: Carry on.

Mr. Trudeau: I think I have about another ten minutes.

Mr. Speaker: Order, please. The right hon. member is seeking some indication as to the expiry of his time. According to my notes, he began at about 23 minutes to five o'clock. Normally his time would expire after 30 minutes, pursuant to Standing Order 58(13). There are about seven minutes remaining.

Mr. Trudeau: I think I can finish in the next ten minutes. I will not comment, therefore, at any length on the alleged interference which is mentioned in the motion; the Minister of Justice will do that. However, I hope that I will have occasion, perhaps in the question period, to come back to some of the allegations, particularly those that have been made by the leader of the New Democratic Party. He is, presumably, basing his motion on Mr. Justice MacKay's letter and making a very long and involved case that either Mr. Justice Mackay or the Minister of National Health and Welfare (Mr. Lalonde) is lying, and concludes—rather generously—that it is probably the minister.

Mr. Broadbent: Not at all.

Mr. Trudeau: If he is not alleging that the minister is involved in lying, and he says there must be a lie somewhere, he is probably alleging that Mr. Justice Mackay is lying.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

An hon. Member: The trained seals.

Mr. Trudeau: The hon. member from the New Democratic Party talks about trained seals. I want him to realize that what his leader and his party have been asking for is precisely related to that. They are asking for a fishing expedition; they want a licence to fish.

Some hon. Members: Hear, hear!

Mr. Trudeau: I think I used more judicial language the other day in rejecting the idea of an inquiry. I said that an inquiry, by definition, the very meaning of the word, pertains to inquisitorial forms of justice where you do not presume people are innocent but where you presume there is some guilt somewhere and you start asking questions of the people whom you suspect might be guilty of wrongdoing. As I said the other day, this type of fishing expedition is either to satisfy the ambition or aspirations of some or perhaps to satisfy the pique or curiosity of others. However, I say that they are contrary to the fundamental concepts of the rule of law. They are anathema to anyone who truly believes in individual rights and principles.

Some hon. Members: Hear, hear!

● (1700)

Mr. Trudeau: Such fishing expeditions, such inquiries—I have explained this many times in the House when refusing this request which has been made repeatedly by the opposition—are to my mind only justifiable when the normal judicial procedure cannot be followed, when there are reasonable and probable grounds to believe that the full facts are not known and cannot be known through the normal judicial process or, I would add, in the case of parliament, through normal parliamentary processes. That is why, under our system, if a member of the public wishes to lay an information and press a charge, that is his right. If a member of the opposition wishes to do that, well, that is fine, too, and the procedures are provided. But suspicion, innuendo, calumny—these are not the bases for proceeding.

Some hon. Members: Hear, hear!

Mr. Trudeau: The opposition keeps repeating that an inquiry is needed to find out whether there are any further facts, facts which need to be known. Let us look at the three areas of fact which are of interest in this case. Concerning what took place between ministers and judges, we have what the ministers stated in this House last Friday, what they have stated in answer to repeated questions. I have always said that until we had Justice Deschênes' report—I have heard the ministers and I take their word, but in fairness we must learn whether the courts feel aggrieved. That was the object of the letter which the Minister of Justice sent to Mr. Justice Deschênes. In that report, which was made public, we have the version of the three judges. So these facts are known—what the ministers said to the judges and what the judges felt they said when they were spoken to. It is hard to see how any inquiry could ascertain anything more than that. Perhaps there are some slight variations which I am prepared to ascribe to lapses of memory, but if members opposite do not believe this to be the case, if they do not want to take the word of members of parliament, they know what recourse they have.

Some hon. Members: Hear, hear!

Mr. Trudeau: Only one word more on this aspect—I hate to go even this far, but I have been under questioning in the House—indicating there are some reasons to cast doubt, for instance, on the memory of Mr. Justice Mackay. I have given examples, and it seems to me that if there are fair-minded persons looking at this issue they would at least have an equal cause to suspect his memory as they have that of the minister. When that set of facts is known, there remains—before I gallop to an end—two other sets of facts which might interest the opposition. The first concerns what a minister might have said to another minister. I have said before, and I repeat it now, that the privacy of conversations between any two individuals in society, even if they are ministers, should be respected except when the greater good of society demands otherwise.

Mr. Baker (Grenville-Carleton): A lot of claptrap!

Mr. Trudeau: I hope I have the agreement of the other side on that principle. They might argue about the circumstances; they might say that in this particular case the good of society demands that we infringe the privacy of conservations. If there was an illegality involved, if there was a conspiracy involved, I would have no doubt that the importance of dealing with that situation was greater than the need to respect the confidentiality of the conservations. We know, now, that there are no such allegations of illegality or of interference with the conduct of justice. We know there has been an impropriety.

Opposition leaders have made a good deal of such questions as this: Did you know about these things beforehand, or not? If you did, why didn't you act? If you didn't, why did you not find out?

Let me say, with regard to this and some of the other innuendoes which have been made, so that ministers may know it, so that members on this side of the House may know it and so members of the opposition may know it, that what two members of my cabinet say to each other is none of my business.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Even if it leads to impropriety?

Mr. Trudeau: If hon. members will hear me out—

Mr. Speaker: Order. The Standing Order is clear. In order for the Prime Minister (Mr. Trudeau) to continue for any length of time at all, the unanimous consent of the House is required. Is that agreed?

Some hon. Members: Agreed.

Mr. Trudeau: I appreciate the permission given me by the House. I have two more arguments to advance. I think the House is showing courtesy and respect for this issue by hearing me out. Who knows, I may say something which will lead to further debate, and they might want to question my principles. I am putting them before the House so that they may be judged. I have stated that I take the position that I have no right and no desire to know what ministers convey to each other even about leadership questions—if there are any such—except when there is any wrongdoing.

Mr. Clark: Or impropriety.

Mr. Trudeau: "Wrongdoing" is the word I chose, because it is imprecise. If the wrongdoing amounts to illegality, then, of course, I have a right to know.

Mr. Clark: And if it is an impropriety?

Mr. Trudeau: I hear various interjections. If hon. members are so anxious to have me answer these questions, I am surprised they did not ask them during the question period. As the whip says, it seems I have to provide hon. members opposite, including the leader of the New Democratic Party, with the questions in order to give them answers.

An hon. Member: Stop the histrionics.

Mr. Trudeau: I have the answers hon. members are waiting for, if they will allow me. If there is an impropriety, I also believe I have a right to know what has gone on between them.

Mr. Clark: And does parliament have that right?

Some hon. Members: Oh, oh!

● (1710)

Mr. Trudeau: Yes, Mr. Speaker, I say parliament also has that right. That is why until Chief Justice Deschênes had looked into this matter and established that the facts were grave and that they had resulted in an impropriety, I refrained from asking in any great detail or with perseverance what the ministers had said to each other. I wanted to know whether they had committed an illegal act, and to that extent I did question them. Until the judgment had been made that there was an impropriety, and until I had this objective version of the judges, I did not press the ministers on every detail that might have gone on in their conversations.

Mr. Clark: You still find it satisfactory?

Mr. Trudeau: No, Mr. Speaker, I do not find it satisfactory, to answer the leader of the opposition. That is why I got an apology, and the House got an apology, from the minister. That is why the minister saw fit to offer his resignation. As I said in an earlier part of my speech, that indicates to me that there was an element of wrongdoing—not an illegality, but a wrongdoing—which the judge qualified as improper.

[Mr. Speaker.]

Mr. Clark: What facts did the minister withhold from you?

Some hon. Members: Oh, oh!

Mr. Trudeau: As far as the minister of consumer and corporate affairs is concerned, he did tell me yesterday the exact nature of his conversations with the Minister of Public Works. Whether that kind of impropriety—advising an impropriety, or asking an impropriety, or whatever the minister said this afternoon he said to the minister—calls for resignation or not, I think is an academic question, since in any event he resigned for other reasons and is no longer a minister of my cabinet. But what is not irrelevant is his right privately to plan his defence, and I will continue to respect his right not to answer questions that he feels are in some way pertinent to the case now before the appeal court. I hope the opposition will also have the decency to do the same.

Some hon. Members: Hear, hear!

Mr. Trudeau: In an effort—probably fruitless, but nonetheless an effort—to dispel the suspicions of hon. members opposite, and in an effort to bring parliament back to a more efficient management of the business of the nation, I believe the former minister of consumer and corporate affairs went to the outer limits of what is permissible in regard to what he could say without infringing the sub judice rule. But this is for his judgment, Mr. Speaker; I just feel that he did it at considerable cost to himself, that he did it in a way that will permit him to exercise his right of appeal in this case. In the interim, I believe hon. members should at least respect the price he has paid in order to exercise that right. In the case of the hon. member for Papineau, I submit it is a question either of taking his word that that is what he said and did, or not taking his word and laying a charge in the customary fashion, with the customary consequences, Mr. Speaker.

I have dealt with conversations between ministers and the courts and between one minister and another minister, but it seems to me that there is a third area of uncertainty and that is what one judge might have said to another judge or what judges might have said to their counsel. Of these facts we know little. I am certain that an inquiry could attempt to find out more about that, but I am not sure whether it would be appropriate or desirable for the institution of parliament or the courts to get into that side of the inquiry.

Moreover, I would ask parliament by what mechanism it would conduct that aspect of the inquiry. How would parliament question judges, Mr. Speaker? If they want to question a minister, to cross-examine his version, presumably they would also have to question the judges. How would they do that, Mr. Speaker? There is one known procedure for parliament to question judges, and that is the procedure of impeachment; but I do not think the opposition are suggesting that.

Mr. MacDonald (Egmont): Is that one of your strawmen, Pierre?

Mr. Trudeau: No, I do not put it up as a strawman; I am just trying to exhaust the various avenues and mechanisms that exist.

Mr. MacDonald (Egmont): Use a legitimate avenue.

Mr. Trudeau: There is another way, and this would be by parliamentary committee; but certainly not a normal parliamentary committee because I doubt that any judge would agree to sit in front of a parliamentary committee, whatever the form of subpoena issued to him.

Mr. MacDonald (Egmont): Who has suggested a parliamentary committee? No one but yourself.

Mr. Trudeau: Perhaps the hon. member should suggest it.

Mr. MacDonald (Egmont): You suggested it.

Mr. Trudeau: It is an avenue that the opposition might want to examine. You know, Mr. Speaker, I find it strange that on Friday the opposition were constantly imploring me to discuss the terms of an inquiry that might be held. Now they do not want me to talk about the kind of inquiry that might be held.

Some hon. Members: Hear, hear!

Mr. Paproski: You are just trying to impress Charlie Lynch.

Mr. Clark: You can take another hour.

Mr. Trudeau: Hon. members talk of strawmen. They should think about their own members. It is they who want an inquiry, Mr. Speaker, and I am examining the ways in which we could have an inquiry that could ask questions of judges.

Mr. Broadbent: A public inquiry would do that.

Mr. MacDonald (Egmont): He does not want a public inquiry, not a serious one.

Mr. Trudeau: I am not going to elaborate, but it would be possible to have a committee of the House set up under special legislation to examine the judges. Another avenue for examining what happened between the judges themselves and the judges and lawyers would be the Canadian Judicial Council—but that is not what hon. members opposite want. Another avenue is to have the Bar look into the conduct of its members and ask questions of its members. That is an inquiry that might satisfy some aspects, at least, of the curiosity that seems to reign over on that side. I take it that when hon. members call for a public inquiry, they mean a royal commission of inquiry. I suppose it would be the least inappropriate way of asking judges questions about this matter.

● (1720)

An hon. Member: And ministers.

Mr. Trudeau: There is no question but that ministers can be interrogated. They can also be interrogated by a committee of the House, Mr. Speaker. If the opposition would reflect, and perhaps even draw up terms of reference—since they are so anxious to have that kind of an inquiry—they might discover that in drawing up those terms of reference they would find themselves in a position of having a royal commission of inquiry, of necessity, asking questions of judges. We would then have a judge judging his colleagues in this particular case. If we set up such a commission of inquiry, I wonder what then would happen to the much proclaimed and much vaunted theory of separation of powers.

Some hon. Members: Hear, hear!

Mr. Trudeau: I get back to what members opposite called the strawman. The time-honoured way of asking questions of judges by parliament is impeachment; it is not by a royal commission of inquiry. I said it would be the least inappropriate way, and I am not sure it could not be done. I have not had time enough to have all the experts on parliamentary rules and judicial procedure give me their opinions on this.

Mr. Clark: We could start with ministers.

Mr. Trudeau: The Leader of the Opposition says, in a very smart and judicial looking way, "We could start with ministers". Sure; but does he want it to end with ministers? Is that what he wants?

Some hon. Members: Oh, oh!

Mr. Trudeau: I have not doubt that he wants to end the ministers, but when he says we can start by asking them questions, is he so superficial as not to ask himself: What then? After we have heard from them, shall we hear from the judges?

Some hon. Members: Hear, hear!

Mr. Trudeau: If we only start with the ministers, then I would ask the opposition what good that would do. If we go on from the ministers to the judges, then, as I have suggested. We could be doing serious damage to this great theory the Leader of the Opposition says he believes in about the division of powers.

Some hon. Members: Hear, hear!

An hon. Member: You are the theorists.

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, at least in my judgment I have indicated that the reasons for such an inquiry, and they do exist—there are reasons, and members of the opposition have stated them—are so very poor and small, in face of the harm that would be done by having an inquiry by parliament into the conduct of judges, that they should think this over before pressing for it.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, would the Prime Minister (Mr. Trudeau) permit a question before he sits down?

An hon. Member: Oh, no, Stanley.

Some hon. Members: Oh, oh!

Alleged Interference with Judiciary

Mr. Speaker: Order, please. The House extended its courtesy in order to permit the Prime Minister to go on, and technically I suppose there is no limit to the time he has the floor. I should think that if a question is put at this time, in this way, it ought not to be done simply with the consent of the Prime Minister but with the consent of the House. If the House gives its consent, I would not object.

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): May I ask a question of the Prime Minister?

An hon. Member: No.

Mr. Knowles (Winnipeg North Centre): Since, by innuendo, the Prime Minister has questioned the veracity of Mr. Justice Mackay, which I do not question, is he going to lay a charge against the judge or ask parliament to impeach him?

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, the hon, member really surprises me. The question was whether his memory was right, or the memory of the minister. Surely, whether one man remembers a thing one way, and the other another way, has nothing to do with veracity; it has to do with whether you have a good memory.

Some hon. Members: Hear, hear!

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker—

An hon. Member: There go the ministers.

Mr. Fairweather: There go the ministers, and there goes everybody else, I suppose. Perhaps I might make this observation, with the greatest amount of charity. It takes a motion like this to get an intervention by the Prime Minister (Mr. Trudeau) in the debates of this chamber.

Some hon. Members: Hear, hear!

Mr. Fairweather: It has always seemed to me he has not participated often enough, and once in a while something quite interesting does go on here.

Some hon. Members: Oh, oh!

Mr. Fairweather: The throat-clearing performance usually takes place at the intermission, but if the doctor wants to go to his dispensary, he might go and paint his throat.

Some hon. Members: Hear, hear!

Mr. Fairweather: The Prime Minister spoke of a different interpretation as to how to approach the court. Let me suggest there is no room for a difference of interpretation as to how to approach the court, and I am very grateful to the Minister of Justice (Mr. Basford) who made that very clear in his answers to me today.

Some hon. Members: Hear, hear!

Mr. Fairweather: I am very grateful that this fact has been laid to rest once and for all. It seems to me that the Prime Minister's so-called statement of ethics on Friday is today, on Tuesday, in tatters because of the answers of the Minister of Justice. I look forward to hearing from him later when he will enunciate on this.

The Canadian Bar Association's code of ethics is very clear. I have here the duties of a lawyer in public life. Mr. Justice Deschênes quoted the Quebec Code very clearly. I presume that the Bar Society of the province of Quebec is even now looking into the impropriety of members of the profession in that province as a result of the actions they have taken. The codes of every other province are also very clear in this regard. So really what we have now is no code of ethics.

The Prime Minister has suggested that the sum of our debate here is calumny. He has used the words "calumny" and "innuendo". I say that what we have been doing here, as my leader and the leader of the NDP have suggested, is carrying out the fundamental duty of the opposition in the parliamentary system.

● (1730)

I suggest that for a moment we should turn the whole matter around and ask ourselves what would have happened to the escutcheon of public life in this country if the occurrences of the last couple of weeks had never occurred. There would have been a continuation, presumably, of interventions on the part of ministers with the courts, which is quite contrary to the code of ethics, and there would have been a continuation of what a respected judge has called "grave" and "improper" conduct and for which, on Friday, we had Wynken, Blynken and Nod apologizing to us. But surely it must have been one of the most curious examples of ministerial repentance in my time here. They popped up one after another like popcorn on Saturday night, all apologizing to us and saying that in future they would follow a code which they should have followed long ago.

Some hon. Members: Hear, hear!

Mr. Fairweather: What is the opposition's role? It is quite an interesting coincidence that the two quotations today, one on ethics and one on the role of the opposition which my leader and I have quoted unwittingly—and I have not talked to him, there is nothing improper here—should have come from the Right Hon. Lester B. Pearson. I want to quote that right hon. gentleman when he said:

> In national politics during the years when I was in the government, I watched the Opposition perform their duty vigorously and industriously, with courage and determination. They rightly insisted on their right to oppose, attack and criticize, to engage in that cut and thrust of debate, so often and so strongly recommended by those concerned with the vigour and health of parliament and the health of democracy.

I suggest that, inconvenient as all this is—

An hon. Member: What is the date of that speech?

Mr. Fairweather: Have you a question?

Mr. MacEachen: When was that written?

Mr. Fairweather: I will give the hon. member the citation, indeed I will—the Hon. Lester B. Pearson, P.C., M.P.,

"The Role of the Opposition", address delivered to the Canadian Club of Ottawa, 27 January, 1959.

Mr. MacEachen: He was leader of the opposition himself then.

Mr. Fairweather: Exactly. There is no difference in the code. This is exactly why I quoted the right hon. gentleman.

Some hon. Members: Double standard.

Mr. Fairweather: Hearing that enunciation of the responsibilities of the opposition coming from the mouth of the Right Hon. Lester Pearson seems to upset one of his former colleagues. I have a couple of other quotations from two distinguished members of this House of Commons.

Mr. Sharp: You probably wrote it.

Mr. Fairweather: If you want to choke to death on your own laughter, you are welcome.

Some hon. Members: Hear, hear!

Mr. Fairweather: I find it passing strange that people should giggle at the remarks of Lester B. Pearson on how the opposition should fulfil its role. The right hon. gentleman did that, and he fulfilled the role of the Prime Minister with distinction. I may say that he has set a standard of conduct for his ministers that has not been met since.

Some hon. Members: Hear, hear!

Mr. Fairweather: It is perfectly obvious it has not been met since we had judges say that the acts were grave and improper. Why do you not cackle at that?

The other two references which I will not give to the House now about the role we are fulfilling because it is our obligation, duty, and responsibility were by the right hon. member for Prince Albert (Mr. Diefenbaker) and the hon. member for Winnipeg North Centre (Mr. Knowles).

Fundamentally the topic which concerned us during the past several days raises the question of what kind of a society we are. That is why many of us discussed with the Prime Minister, in questions and in other ways, his obligation to all of us to set the tone for this government. It is nothing less than that, and that is what the public of Canada has the right to expect. The rather inadequate statement of ethics last Friday is ludicrous and in no way meets the problem with which we are faced.

Some hon. Members: Hear, hear!

Mr. Fairweather: After all, the profession of politics has its own history. I regret that I may be laughed at again if I raise the matter of the independence of the judiciary. It was raised in a very interesting article, which I commend to the Prime Minister, in the University of Toronto "Law Journal", and it is entitled, appropriately enough, "Scandalizing Justice". The reference is by a judge in Great Britain some 210 years ago, and it has to do with the preciousness of the separation between the judiciary and the executive. That is what we will be fighting to preserve, no matter whether the Secretary of State for External Affairs (Mr. MacEachen) laughs at us, or whether other people howl in their seats. It is something that this parliament would be failing in its duty if it did not fulfil.

Some hon. Members: Hear, hear!

Mr. Fairweather: The Prime Minister worried over Christmas about the country and about our institutions. I share his concern and I say that the events of the last couple of weeks have not helped to raise the public's consciousness about this institution. All of us have been smeared by this grubby business.

The Prime Minister spoke about the poor. No poor man would be allowed into a Westmount home to speak to a judge on Sunday afternoon, and no poor man could get a telephone connection with an Associate Justice of the Supreme Court of Quebec or of any other province. That is the double standard with which we are dealing. It is one thing for members of the executive to pick up the telephone or make Sunday afternoon clandestine visits. Can you think of anybody going from downtown Montreal, Ottawa or Toronto and trying to intervene with a high court justice of this country? He would not get past the footman.

Mr. Trudeau: Because the judge thinks he is poor?

Mr. Fairweather: The judge's views were set out in the letter of the Associate Chief Justice. It is an indictment of the ministers of this government and of anybody who believes in the honour of public life.

Some hon. Members: Hear, hear!

Mr. MacEachen: Are you saying a judge would not answer a telephone call from a poor man?

Some hon. Members: Shut up.

Some hon. Members: Sit down.

Mr. Fairweather: The Secretary of State for External Affairs knows perfectly well the difference between a telephone call made by the Minister of Public Works (Mr. Drury) and, God forbid, from himself to a judge, or from the principal secretary of the Prime Minister of Canada saying he would like to drop in for a chat, and a telephone call from somebody from Whycocomagh, Cape Breton. He knows the answer to that.

● (1740)

Mr. MacEachen: Mr. Speaker, surely what the hon. member is saying—

Some hon. Members: Sit down!

Mr. Fairweather: The Secretary of State for External Affairs goes bipartisan when it suits him, and then suddenly becomes partisan when he finds others striking debating points.

Some hon. Members: Hear, hear!

Mr. Fairweather: This institution is caught in a crisis of cynicism.

Some hon. Members: Oh, oh!

Alleged Interference with Judiciary

Mr. Fairweather: Hon. members may not think there is a crisis of cynicism, but no less a figure than the Prime Minister of Canada spoke about it over the new year and the problem our institutions face in their public acclaim.

What I have in front of me is not written by the Right Hon. Lester Person, but a magazine edited by Norman Cousins, *The Saturday Review* of November 1, and it devotes the whole edition to the rather terrifying and unpleasant subject of what is happening to ethical standards in government, law, business, accounting, journalism, medicine, and education.

Because I was smug I did not think such a thing would ever have to be written or that a Canadian magazine would ever have to take up an issue dealing with ethics in our country, but I see; I was as usual, somewhat naïve.

In Montreal in the spring of last year many of us were on another mission having to do with this institution, and the mission involved whether democracy itself was governable in the 1970's and 1980's. Government will never be easy, and democracies will never have an easy time of it if there are standards for the executive and standards for the rest of the citizens, and if the rest of the citizens see that the executive is in a different position to the mass of the public. That is what this motion is about, why I welcome it, why I support it, and why I think it behooves every man and woman who represent constituencies in this country to do what they individually can to try to restore faith in our system and to restore an ethical standard to this institution of which we can all be proud. And that has not happened.

Some hon. Members: Hear, hear!

Mr. Fairweather: I very much regret this, but it has not happened yet. I was in this institution one particular day, and I think that was the only time I ever did, or ever will, receive a compliment from the Toronto *Globe and Mail* in an editorial page. It was a grubby business that day. I see several hon. members who were here on that Friday afternoon, and some were then indulging in some activities of which I do not think many of us were proud. Without very much forethought it happened that I made the comment, "In God's name, what are we doing to this place?" Mr. Speaker, in God's name what were the members of the cabinet thinking of when they thought they could go to judges on Sunday afternoons or make telephone calls?

Some hon. Members: Hear, hear!

Mr. Fairweather: It happens that some of us care quite a good deal about this institution and about how it is perceived by the country. I see many courageous people in my party here who had more courage than I did in seeking the leadership of the party and who went through pretty difficult times, and I suspect that if I asked every single one of them they would tell me that the cynicism of which I speak was extremely prevalent from one end of the country to the other.

That is why I think it is worth while interrupting the legislative performance of the government, which in itself leaves something to be desired, to consider a matter which is so fundamental as this.

An hon. Member: Now say something.

[Mr. Fairweather.]

Some hon. Members: Oh, oh!

An hon. Member: Who said that?

Some hon. Members: Shame!

Mr. Fairweather: The hon. member for Mississauga (Mr. Abbott)—

Mr. Paproski: Jean Roy, shame!

Mr. Fairweather: No, it was not Jean Roy. Jean Roy would not do that. It was the hon. member for Mississauga, I suspect, who doesn't put himself down on the list.

An hon. Member: Timmins.

Mr. Fairweather: Perhaps the hon. member who said it will have the courage to say so.

Mr. Abbott: Mr. Speaker, on a question of privilege, I was accused of an intervention which I did not make.

Mr. Fairweather: I say without any reservation—and I have always done this—I accept the hon. member's correction. I can take as much as the Prime Minister of Canada can take.

Some hon. Members: Hear, hear!

An hon. Member: And more so.

Mr. Fairweather: Although he may not believe this, I do very deeply—the balance I think we are trying to restore to this country and its institutions has something to do with the following:

> . . . surely, that is not law at all; on something that resides neither in institutions nor past achievements, but in the hearts of individual people, in the common, cognate, virtues of courage, kindliness and honesty, in the lustre of the spirit, in the faith and vision that nourishes and upholds all else.

Mr. Trudeau: You are describing Drury.

Mr. Fairweather: Exactly, but I regret it does not describe you, Sir.

Some hon. Members: Hear, hear!

Mr. Hees: If ever I saw a knock-out, that was it.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like my first words to be in congratulation of the fine, sensitive, and honourable speech—

Mr. Trudeau: Thank you.

Mr. Brewin: —we have just listened to.

Some hon. Members: Hear, hear!

Mr. Brewin: I think there are some people in this country, some even in this House, who by their grinning and laughing in the House—I am not talking about the others—show that they totally fail to appreciate the gravity of the matter we are discussing. They do not seem to understand that the independence of the judiciary is a basic pillar of our whole society and our whole system. Failure to understand that and failure to defend it are the basic charge we make against the government on this occasion, and it is a matter which affects the whole fabric and nature of our society.

I should like to read what the Chief Justice of the Superior Court of Quebec said in this connection. He said:

> It is of the utmost importance that this independence of the judiciary, achieved through great effort during the course of the last three centuries, be jealously guarded against all attacks.

The accusation I have to make is that it is not being jealously guarded. The Prime Minister (Mr. Trudeau) in particular, through a series of minimizing and downgrading the whole business, has managed to make it look as if it were a trifling matter which does not have to be taken seriously. I have something I want to say later about the Minister of Public Works (Mr. Drury). I am afraid his conduct also falls in that category. I wanted to speak about him a little later but perhaps I will say what I have to say now.

● (1750)

I have the greatest respect for the Minister of Public Works. It has been one of the greatest disappointments I have ever had that, when he did the honourable thing in this House last Friday, he then permitted the Prime Minister to persuade him to do something less honourable. His first choice was the right choice and I wish he had stuck to it.

How has the Prime Minister downgraded and minimized this thing? One thing he said repeatedly during his speech, not only today but on other occasions, is that there is no illegality here, just an impropriety. He managed to say impropriety as if it did not matter very much. I remind the House that the Chief Justice of the Superior Court of Quebec in his report, which appears at page 11779 of *Hansard*, quotes Associate Chief Justice Hugessen as follows:

> While I felt at the time that the call was improper (and I believe I said so to Mr. Drury), I did not think that he was attempting to influence my judgment.

But Mr. Justice Deschênes does clearly refer to the impropriety later when he says:

> I have little doubt that the facts related by Mr. Justice Hugessen are grave, considering the stature of the person making the call and the circumstances in which the call was made to him.

I say that we have the judge saying it was a "grave" impropriety, and the Prime Minister tries to brush this aside as though somehow or other the Chief Justice had not taken the matter very seriously. How ridiculous it is to keep on talking about illegality. We all know that if we park in the wrong place that is illegal, and obviously it is not a matter to be taken too seriously by this House. But when you have an interference in the administration of justice such as we have seen clearly and transparently outlined in the facts before the House in the last few days, when you see this sort of thing then the matter is of very grave concern indeed. All the minimizing, brushing aside, use of the word "illegal" as against the word "grave" impropriety—all this is a calculated effort to minimize this and treat it as though it were unimportant, something of no supreme importance.

Another method of attempting to minimize the matter is to talk as though attempting to influence the judiciary was not a critical thing as long as you did not succeed. This is the most ridiculous doctrine that has ever been propounded in parliament at any time, I should think. I am glad that there is not the slightest suggestion that the attempt was in any way successful. But the attempt was there; the attempt was highly improper, and deserved to be regarded with full seriousness.

It is absolutely inconceivable—I think the hon. member for Papineau (Mr. Ouellet) has underlined it but it was perfectly clear before—that the Minister of Public Works was sent as his emissary or spokesman or advocate to speak to the judge who was deciding the case of the hon. member for Papineau. If that was not a flagrant example of intervention in the administration of justice I do not know where you would find a clearer case if you had words, and words, and words of evasion. The facts speak clearly for themselves.

I want to read from the report of the Chief Justice of the Superior Court of Quebec where he cites a regulation of the bar of Quebec. I am not a member of the bar of Quebec but I presume their regulations are authorized by statute and therefore have the force of law. Regulation 43.3 was cited by the learned judge so he must have thought it relevant. It reads:

> In the absence or without the knowledge of the other party or of his advocate, he shall not make, before judgment or decision, on behalf of a party in a contested matter, any verbal or written representations to a judge, a court or the members of a judicial or quasi-judicial body.

I say we do not need any spurious code of ethics thought up by the Prime Minister. This rule sets up a law; it is the law of Quebec and I suggest it is probably the law of other provinces in the country. It is not only the law as written down, it is the law of ordinary morals and ethics. It is the law of the institutions of democracy and ensures their independence. We have seen here an effort to minimize the whole thing.

I did speak of the Minister of Public Works, Mr. Speaker. I repeat that I hold him in respect and I found that one of the most unhappy things that has happened since I have been in this House was that he abandoned his own good judgment and permitted himself to continue to occupy a position which by his actions, however well intentioned, clearly disqualified him from being in the government of this country.

May I call it six o'clock, Mr. Speaker?

Mr. Baker (Grenville-Carleton): On a point of order, Mr. Speaker—

Mr. Deputy Speaker: Order, please. Unless the hon. member is rising on the same point of order maybe we could call it six o'clock. Or I could recognize the hon. member. Is it agreed we call it six o'clock after I have heard the hon. member?

Some hon. Members: Agreed.

Mr. Baker (Grenville-Carleton): Mr. Speaker, this is obviously a very important debate. I do not know how arrangements could be made but I think it would be most appropriate if committees of the House which were to sit this evening could be cancelled so that they will not keep members away. It is very important that this be done.

Mr. Blais: Mr. Speaker, we have no objection to not going ahead with the committees so long as the schedules set for them will be continued. I understand the Standing Committee on Broadcasting, Films and Assistance to the Arts had arranged to dispose of Bill C-20 this evening.

An hon. Member: No, it had not.

An hon. Member: There was no arrangement like that.

Mr. Deputy Speaker: Order, please. I do not think we should get into a discussion on any kind of arrangement. I think the leaders of the parties or their representatives could get together and solve the problem quite easily. I think it is up to the committees themselves to arrange their program. I think this is a good suggestion and I hope hon. members will get together and solve it without taking the time of the House.

Mr. Blais: On the same point of order, Mr. Speaker, this is the first I have heard of any intention not to proceed with committees this evening so I am caught a bit short. I would have appreciated receiving some prior notice of the matter and some opportunity to negotiate it.

Mr. Deputy Speaker: There seems to be a disposition toward good will so I hope hon. members can get together and reach an agreement.

It being six o'clock I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Blais: Mr. Speaker, I rise on a point of order. Just before six o'clock the Conservative House leader said that perhaps we might make arrangements relating to the sitting of committees this evening. May I advise the House that no arrangement has been reached, and the committees are scheduled to sit at eight o'clock.

Mr. Paproski: Shame!

Mr. Baker (Grenville-Carleton): Mr. Speaker, I regret that a greater effort was not made. I do not suggest that the parliamentary secretary made no effort. I say this because the present debate is extremely important, but despite its importance the government has not seen fit to re-schedule the committee meetings for this evening. It could have made other arrangements with the consent of members of all other parties in the House who are interested in maintaining the committee system but who are also interested in participating in this important debate.

Mr. Knowles (Winnipeg North Centre): It's the same old arrogance.

Mr. Blais: Mr. Speaker, on a point of order, I lay the blame at the feet of the hon. gentleman from Grenville-Carleton who just spoke. If he had advised us before six o'clock that he wanted the committees not to sit, we could have communicated with members of my party who sit on the committees. But he did not do that—

[Mr. Baker (Grenville-Carleton).]

The Acting Speaker (Mr. Turner): Order, please. That is not a point of order. It is a point of debate.

Mr. Knowles (Winnipeg North Centre): It is a point of arrogance.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have already mentioned some of the government's evasions and pretexts. I must now mention another important matter. I think the House has seldom heard anything as bizarre and preposterous as the reasons the former minister of consumer and corporate affairs gave for his resignation. They were absolutely ludicrous. He said he resigned in order to devote his attention to the contempt of court proceeding which affects him. That is beyond belief. What an extraordinary thing to say. Contempt proceedings last one day, possibly two. The appeal is prepared; the record is prepared. Presumably he hired a qualified lawyer, although he has not done well so far.

Mr. Gillies: Are you available?

Mr. Brewin: No. I would not want to be mixed up in that affair. Mr. Speaker, how can the former minister of consumer and corporate affairs pretend that he had to forgo his duties as minister of the Crown and protector of consumers because he needed to attend to a court case in which he was involved? The appeal can be discussed without his presence although, quite naturally, it would be a courtesy if he were to attend. Presumably he hired a lawyer who knows how to present a case. I do not see why he should use impending court proceedings as an excuse for giving up his job as the protector of the consumers in this country.

An hon. Member: He said he did it for that reason.

Mr. Brewin: Yes, for that reason, and others. There may be other excellent reasons. One is so obvious that it led to the present debate.

That the minister should so pretend to the House is inexcusable. He clearly admitted that he requested the Minister of Public Works to interfere with the administration of justice relating to a case in which he was involved. Having admitted that, and then not uttering a single word of apology to parliament, although he was good enough to apologize for embarrassing the Minister of Public Works, is inexcusable.

By seeking to interfere with the judiciary the minister breached a basic, fundamental provision of the constitution of this country relating to the separation of powers between the judiciary and the executive. But not one single word did he say about that to parliament. Instead, we witnessed this preposterous pretense that he could not do his job because he had to deal with the matter before the courts. How contemptuous! Does he think we are so foolish or so childish as to accept his excuse?

The hon. member for Fundy-Royal (Mr. Fairweather) made an excellent speech. I join with him in welcoming the role played by the opposition parties in this matter. I am thinking particularly of the Conservative party and my own party. We fulfilled the historic job of the opposition, and I think the opposition did it well. We have seen one

resignation—withdrawn, it is true—and another resignation tendered. I do not know how long that will last.

Mr. Baker (Grenville-Carleton): It is conditional.

Mr. Broadbent: So far it has lasted longer than the other one.

Mr. Brewin: In any event the public has been alerted to a most serious attack on fundamental, constitutional provisions of this country. That has been our task. We have done it properly, and to pour contempt on us for doing it is ridiculous.

What has the government done? It has procrastinated, pretended, evaded, and adopted every type of stonewalling and evasion tactic you can imagine. The past-master at stonewalling and evasion is the Prime Minister.

The facts of the case are not difficult.

Mr. Drury: They are clear.

Mr. Brewin: I recognize that. Certain facts could be established by a public inquiry. Otherwise the facts are clear indeed. It is now evident that the former minister of consumer and corporate affairs asked the Minister of Public Works to intervene in a judicial matter. I say that any man who does this is not fit or qualified to be a minister of the Crown. I say, further, that anybody who is so dumb as to behave like that is not fit to be a minister of the Crown. Although it pains me more to say this, because I know the minister personally, the same applies to the Minister of Public Works.

Some hon. Members: Hear, hear!

Mr. Brewin: He ought to have known better. I think he knows better. He knows a lot better now, but he should have known better before. Now he regrets it. He tendered his resignation and then allowed his resignation not to be accepted. I cannot believe he was so dumb that he would act as he did.

An hon. Member: Why? Are you worried?

Mr. Brewin: I do worry. We must worry about it, as we are talking of responsible ministers and colleagues. If they show a poor, low standard, then it affects me and every member of this House.

● (2010)

Some hon. Members: Hear, hear!

Mr. Brewin: The Prime Minister spoke about charity, good intentions, and good reputation. All of these things are absolutely irrelevant to the matter we are discussing. What does that have to do with this? What does charity have to do with the business of interfering with the administration of justice? I would get a long way in a court if I produced the argument that for some charitable reason I had intervened in the administration of justice and therefore my client or myself should be treated with charity!

I do not doubt that some of the minister's intentions were good. It may be that the Minister of Public Works, as his colleague said, was too generous, too naive or something. I do not know. However, it is not good intentions that count, but what was done. What was done was a clear cut open case of interference with the administration of justice.

I lastly come to the Prime Minister who has a major responsibility for this matter. He has pushed this away. He has sought all sorts of means of evasion. He has allowed the thing to go on. He acted either weakly, or for some other reason that I cannot comprehend, in permitting the minister to stay on in circumstances in which every other jurisdiction that has grown up with a civilized understanding of the difference between the judiciary and the executive would have stepped on quickly, firmly, and at once.

Some hon. Members: Hear, hear!

Mr. Brewin: In that he has failed this country. As far as I am concerned I regret it very much. I would like to respect the Prime Minister. I know he is a man of great ability. However, I have never seen a more disappointing performance than we have had this past week or so from somebody who aspires to the high office of Prime Minister of Canada. It has been a shameful performance.

Mr. Drury: Mr. Speaker, I wonder whether the hon. member would permit a question.

Mr. Brewin: Certainly, Mr. Speaker.

Mr. Drury: The hon. member for Greenwood (Mr. Brewin) made some point of the desirability, indeed the responsibility, of lawyers to be precise. On two occasions he has charged the hon. member for Papineau (Mr. Ouellet) with interference. As he well knows, it is a term of art. Perhaps the hon. member was not in the House this afternoon when the former minister of consumer and corporate affairs read his statement. However, he specifically said that he had not interfered with the administration of justice. The hon. member just said he had.

Mr. Brewin: Mr. Speaker, I am glad to answer that. The minister did not interfere directly. He interfered through the agency of the minister who just asked the question. If not, what did the Minister of Public Works go for except to carry a message from the former minister of consumer and corporate affairs? There is an old Latin maxim which I will not quote in Latin as it is not often spoken in this House. It goes like this: "He who does it through another does it himself." I say the former minister of consumer and corporate affairs has a greater responsibility in this matter than the Minister of Public Works.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, this is a serious debate in which there have been serious speeches. I would like to commence, as did the Chief Justice of the Superior Court, in reciting my obligations. I think it is appropriate in this debate to recite precisely what my obligations are, as I see them, to the government and the country. As the Chief Justice in his letter to me recited the Department of Justice Act, so do I. Section 4 states that it is the responsibility of the Minister of Justice, and I quote:

1. to see that the administration of public affairs is in accordance with law, and

2. to have the superintendence of all matters connected with the administration of justice in Canada, not within the jurisdiction of the governments of the provinces.

I have stated in the House and outside the House that in relation to the subject matter the House is debating today and has been for some two weeks, I perceive my duties and responsibilities as being, first, to ensure there is no violation of the laws of Canada, including breaches by the ministers of the Crown and, second, to assist in ensuring the independence and the stature of the judiciary to assure its independence from interference or undue influence.

I agree, as I indicated in the House the other day, with the comments made by the Chief Justice of the Superior Court of Quebec on page two of his letter, and I quote:

It is of the utmost importance that this independence of the judiciary, achieved through great effort during the course of the last three centuries, be jealously guarded against all attacks.

More particularly, it must remain protected from interventions from Members of the Cabinet, whatever may be the quality of the intentions that inspire them.

It remains to add, in the light of recent events that it must also be protected from interventions from Parliament.

As I indicated in the House, I subscribe to and support, as any Minister of Justice should and must, that statement by the Chief Justice. He goes on in his letter to me to expand upon his responsibilities toward the defence of his court, the management of his court, and my responsibilities. He states:

There exists then a definite point of contact between your obligations—

He is speaking of my obligations as Minister of Justice.

—and mine, though they may come from different sources.

It was for that reason that he had his responsibilities and I mine and that he considered it his duty to respond to my invitation to comment on the present case.

In outlining the obligations of Minister of Justice I would like to paraphrase Lord Shawcross speaking as Lord Chancellor and quoted in Edwards "The Law Officers of the Crown", which I had to quote to the right hon. member for Prince Albert (Mr. Diefenbaker) the other day when he suggested I was subject to political influence. Lord Shawcross said, and I am paraphrasing, that although the Attorney General is a member of the government he has certain duties which he cannot abdicate in connection with the administration of the law. The Attorney General has to discharge them with complete independence of the government. In these matters the Attorney General's duty, and it is his duty, is to concern himself only with the representation and protection of the public interest.

The hon. member for Fundy-Royal (Mr. Fairweather) spoke this afternoon of cynicism. I quote that expression because it is an expression of the obligations and responsibilities of the Attorney General. They are obligations that I recognize. They are obligations which the present Prime Minister (Mr. Trudeau) and former minister of justice of this country recognize. I raise the matter because I think it is important. If the hon. member for Fundy-Royal is talking of cynicism, let there be no cynicism in this House or in this country as to what are the obligations of the Minister of Justice and the Attorney General. These obligations, as I perceive them, and as Lord Shawcross perceives them, are the same perceptions as the Prime Minister has of the office of the Attorney General.

[Mr. Basford.]

● (2020)

In this case the public interest as spoken of by the learned Lord Chancellor is to ensure the observance of the law and the independence of the judiciary. This is the course I have pursued since Mr. Justice Mackay first intimated to me allegations of interference with the judiciary by cabinet ministers.

I wish to emphasize, because people have said they do not have the facts, and have made allegations and inuendos, that prior to the receipt from Mr. Justice Mackay of specific information which he supplied to me at my request, neither I nor the Deputy Attorney General of Canada had received information from any source concerning these specific allegations or any allegations with respect to interference by ministers with any judges in Canada in connection with matters before them.

I hope members will observe and note that statement carefully and that the gentlemen sitting above you, Mr. Speaker, will note that carefully also.

An hon. Member: All this is irrelevant.

Mr. Basford: If the hon. member who comes from Saskatchewan would listen, he might learn something.

An hon. Member: Solid from ear to ear.

The Acting Speaker (Mr. Turner): Order. The Minister of Justice has the floor.

Mr. Basford: Three accusations have been made by the opposition in relation to this matter. The first is that the government is determined to cover up approaches by certain ministers to the judges. The second concerns a so-called double standard in the application of the law about which the Leader of the Opposition (Mr. Clark) and the leader of the New Democratic Party (Mr. Broadbent) spoke on Friday and again today. The third concerns the alleged interference with the course of justice.

Dealing with the first point, I want to repeat that Mr. Justice Mackay wrote to me on February 9 and that I received his letter on February 11. In that letter the learned judge devoted three lines of a three page letter to a passing reference to interference with the courts by ministers. At that time he provided me with no particulars and no request for any action. My first knowledge of any possible impropriety by ministers vis-à-vis the judiciary was in that letter. My response was sent on February 18. It was a prompt response and it requested further particulars in relation to his very general, passing comment. In his reply on February 20 there was specific reference to three incidents which have given rise to the debate today. He described ministerial conduct as "unwarranted attempts to interfere with the judicial process". I emphasize, however, that even in this letter there was no specific request for action but rather, if one looks at the letter carefully, there is a reference to the end of the exchange of correspondence.

The next thing that happened was this: without being asked by Mr. Justice Mackay to take any action, without

any action being suggested to me, I called upon my colleagues for an explanation of the incidents referred to in Mr. Justice Mackay's letter and, as is well known, I wrote to the Chief Justice of the Superior Court on March 4. I thought it proper to write to him because one of the issues which is involved, and one to which members of the opposition paid great attention, is the independence of the judiciary.

I thought it proper to write to the Chief Justice and say to him:

—if there is information indicating that anyone is or has been seeking improperly to interfere with the due administration of justice in a court, by approaches to a judge or otherwise, this is a matter of which the Chief Justice of the Court, as the judge principally responsible for the management of the Court and for protecting its independence and integrity, would be made fully aware.

I am therefore writing to you to invite you to draw to my attention, if you deem such action appropriate, information that may be in your possession respecting any unwarranted attempts to interfere with the proper administration of justice in your Court in respect of matters that should be of concern to me.

There was some question in the House the other day about the use of those words; they were the words used by Mr. Justice Mackay.

I want to point out to you, Mr. Speaker, that my request to the Chief Justice was not limited to the three incidents then in the public domain. I wrote to the Chief Justice, with the concurrence of the Prime Minister, because he is the person principally responsible for the administration and independence of that court. As the Chief Justice says in his letter, the statutory provisions of the Quebec Courts of Justice Act, Section 21(a) and the traditional common law practices which have developed around the office of Chief Justice make it clear that he is the man responsible chiefly for the administration, independence, and integrity of the court.

Next, I wish to emphasize that the Prime Minister, when that letter was sent, agreed immediately, subject to the views of the Chief Justice, to publish the reply upon its receipt. I draw attention to this history because the hon. member for Fundy-Royal spoke at such length this afternoon about the role and the importance of the opposition. The opposition obviously has a role to play, and this is important in a free society. But all these actions were taken by me as Attorney General, with the concurrence of the Prime Minister. The request was made to the Chief Justice, the request was made to Judge Mackay for further particulars, without benefit of questions from the opposition and without pressure from the media of this country.

These things were done on the initiative of myself and of the government to try to determine the facts from the one man in Canada who, under the law, is best able to provide these facts, namely, the Chief Justice of Quebec. I emphasize that they were done without the benefit of pressure from the opposition.

● (2030)

Mr. Andre: That is not true.

Mr. Basford: I am sorry hon. member, but it is true. I put that on the record because I want to take very definite exception, as does the Chief Justice, to the comment made by a member of the New Democratic Party that such a referral of this matter to the Chief Justice of Quebec was a "cosy, 'All in the family' arrangement".

Some hon. Members: Shame!

Mr. Basford: Members of the New Democratic Party have been getting up in this House and talking about damage to institutions, damage to the courts, yet they have the effrontery to suggest that the Chief Justice of the Superior Court of Quebec is somehow part of a "cosy, 'All in the family' arrangement". I take my responsibilities, Mr. Speaker, to protect the independence and stature of the judiciary I think rather carefully. I ask the members of the New Democratic Party to consider their words rather carefully before they start making stupid comments like that.

Some hon. Members: Hear, hear!

Mr. Basford: Upon receipt of Chief Justice Deschênes' letter, I immediately and forthwith referred it, as I have informed the House, to the law officers of the Crown, as was my duty, obligation, and responsibility as Attorney General. I have also informed the House, as reported at page 11749 of *Hansard*, that it was referred to the senior law officers of the Crown and that the contents of the Chief Justice's letter disclosed to the chief law officers no violation of any law by any minister, and I so advised the Prime Minister of that fact. If there is any doubt on that question, Mr. Speaker, I would be happy to table my letter to the Prime Minister. I would ask leave to table the letter, Mr. Speaker.

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

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): Agreed and so ordered.

Mr. Woolliams: What is the date of that letter?

Mr. Basford: March 12. The course of action followed throughout in this matter has, in my view, been both consistent and open.

Mr. MacDonald (Egmont): You can be even funnier than that.

Mr. Basford: Mr. Speaker, I am surprised the opposition does not seem to want to hear what the facts are.

Mr. MacDonald (Egmont): We are still waiting.

The Acting Speaker (Mr. Turner): Order, please. The minister has the floor.

Mr. Basford: Perhaps, Mr. Speaker, when reference is made to an opposition day it means that members of the government are not even entitled to speak. As I was saying, the course of action followed throughout in this matter has been both consistent and open. My goal was to determine from the Chief Justice of the Superior Court, the person principally responsible for the protection of the independence of the court, what interference, if any, his judges may have been subject to in respect of matters that should be of concern to me. This seemed to me the only proper course of action, one accepted by the Chief Justice

and which is consistent, if one reads his letter, with his own view of the different but closely related powers and responsibilities of his office and of mine.

Consequently, in light of the facts set out by the judges themselves, as this House knows they—

The Acting Speaker (Mr. Turner): Order. I regret to inform the minister that his time has expired. He may continue by unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): The Minister of Justice.

Mr. Knowles (Winnipeg North Centre): A point of order, Mr. Speaker.

The Acting Speaker (Mr. Turner): The hon. member for Winnipeg North Centre on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, several of us said no. I would point out to Your Honour that this afternoon the Prime Minister—

The Acting Speaker (Mr. Turner): Order. The hon. member for Calgary North (Mr. Woolliams).

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I do not want to get into the argument, but surely if the hon. member for Winnipeg North Centre has a point of order he should be heard first before recognizing me.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, this afternoon the Prime Minister asked for a few extra minutes or perhaps 10. We gave him an extension of time and it became 20 or 30 minutes.

The Acting Speaker (Mr. Turner): There is no unanimous consent. The hon. member for Calgary North.

Some hon. Members: Oh, oh!

Mr. Woolliams: Mr. Speaker—

Mr. Paproski: Quiet over there.

The Acting Speaker (Mr. Turner): Order. The hon. member for Calgary North has the floor.

Mr. Woolliams: Thank you, Mr. Speaker. Our party would have been quite willing to give the Minister of Justice (Mr. Basford) extra time to finish his speech. I was most interested in what he was saying.

The Acting Speaker (Mr. Turner): Order. The hon. member for Richmond (Mr. Beaudoin) has a point of order.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, I rise on a point of order. The hon. member's comments are most interesting, unfortunately we cannot hear a word on this side of the House because there is too much noise.

[Mr. Basford.]

[*English*]

Mr. Woolliams: Well, Mr. Speaker, I am glad we have now settled all these points of order. I should just like to mention that I think all members of parliament would agree that this debate has been on a very high plane. I should particularly like to mention the speech of the hon. member for Fundy-Royal (Mr. Fairweather)—

Some hon. Members: Hear, hear!

Mr. Woolliams: —who made what I would say was a most enlightened and outstandingly good speech this afternoon and set the tone for this debate. I should like to commence my remarks by making reference to one of the points made by the hon. member for Fundy-Royal.

The opposition has been under some criticism because we have dared to ask questions, to which answers have been refused. We have been stonewalled. Even when we got answers a big snow job was done. The *Globe and Mail* broke the story on March 3, and it was at that time that we met, on what I call that famous Wednesday in parliament, and moved motions and asked questions. I should just like to bring the House up to date on what has happened since that time before I make some further remarks.

We asked for an inquiry but the Prime Minister (Mr. Trudeau) said there was no need for an inquiry, that nothing was wrong, that there was no influence or intervention. He was the cardinal, he was the pope, he was the queen, and he was the judge of the facts. We have not got those facts even yet. I might direct your attention to the fact that we have yet to receive these facts since the time we asked for an inquiry and the story broke in the *Globe and Mail*. We have had the letter to which the Minister of Justice (Mr. Basford) referred, written by Mr. Justice Mackay on February 20, and received on February 21. It was not until March 3 that he replied to the letter.

● (2040)

Some other interesting things have happened. The Minister of Public Works (Mr. Drury) resigned and then withdrew his resignation because the Prime Minister said he could not do without him. Today we had the resignation of the Minister of Consumer and Corporate Affairs (Mr. Ouellet), now simply the hon. member for Papineau. Without questions, without interrogation, and without a search for that information from the government things of this nature would not have happened.

Some hon. Members: Hear, hear!

Mr. Woolliams: The Minister of Justice talks about a cosy arrangement. The cosy arrangement to which I refer is that arrangement within the executive itself that allows it to create the problems, create the facts, make the decisions, and write the judgments. That is the cosy arrangement.

I do not think we can hide today the facts of the last ten days. Parliament has been shocked, as the country has been shocked. We have been shocked by the action of government ministers in reference to this very serious question of an inquiry into matters concerning the executive power of the judiciary. One resignation today does not

solve the issue, and this issue will live in this parliament and with this government for a long time to come.

Some hon. Members: Hear, hear!

Mr. Woolliams: It was very interesting to hear the Prime Minister say just a few days ago that there was nothing wrong. He said he had talked to this one and to that one and had sized up the facts and, in his judgment on the facts, nothing was wrong. Today he has set himself adrift, like Robinson Crusoe. He has said now that he has found his ministers were wrong. They did not commit any offence. He has made that decision, it is not one that has been made by anybody else under the criminal code.

The Prime Minister has sized up the facts and says now that his ministers have done wrong things, and that is why he has accepted the resignation of the Minister of Consumer and Corporate Affairs, and that is why he asked for and accepted an apology from the Minister of Public Works. One thing we have learned from the facts today is that the Prime Minister has set himself adrift from the rest of his executive because he felt in his heart, will all his knowledge and his training, that they were in the wrong.

I never thought I would see the day in parliament when the Minister of Public Works, and I agree with some who have said he is a man of high calibre, intelligence, and integrity, would tender his resignation because he had been wrong. The Prime Minister has arrogantly refused to accept that resignation in spite of the serious situation and issue now before the Canadian people.

An hon. Member: Right.

Mr. Woolliams: The issue is not whether judges were influenced. The issue is whether there was an indiscreet attempt by certain ministers to call judges while matters were pending before the courts, and in particular when a member of the executive had been charged and found guilty of contempt of court. This is a very serious matter indeed for any lawyer or any Privy Councillor or member of the executive. It is a very serious matter when such an attempt would be made directly or indirectly by a member of the executive, either thoughtfully or without thought, deliberately or unintentionally.

There apparently was a discussion of a particular matter with the judge. What was that discussion? We have had to pry the facts from the government.

Some hon. Members: Hear, hear!

Mr. Woolliams: In the earlier days confessions came much easier than now, because the ministers now know they are in serious trouble. On March 3, 1976, I rose in my place and asked the following question:

> I will turn, now, to another member of the cabinet, and address a question to the Minister of Public Works. In a letter to the Minister of Justice on February 20, Mr. Justice Mackay stated:
>
> "After Mr. Ouellet asked Mr. John Turner to intervene on his behalf with the judge presiding over the contempt of court proceedings and was promptly rebuffed, he approached Mr. Drury with more success, but, as it turned out, without the desired effect."
>
> Would the Minister of Public Works tell the House whether he was approached and what kind of assistance he rendered?

Here is what the minister said:

> I may say for the benefit of those who are prepared to listen that in my opinion the integrity, the independence, of the judiciary is critical to the successful running of a country such as ours and I both respect and admire this principle. If it were not for the fact that I consider the Associate Chief Justice of Quebec, whom I have known for a number of years, to be uninfluencible, in a pejorative sense, I would have refrained from intervening—

What has that to do with it, whether he could influence the judge or not? The point I want to emphasize is that an attempt was made, and that is the important issue, not whether the judge is or was influenced. The question is whether there was an attempt directly or indirectly to influence him.

An hon. Member: Oh, go back to Robinson Crusoe.

Mr. Woolliams: The Minister says that he would have refrained from intervening or from having any conversation with him. He said:

> Indeed, the only intervention that would be contemplated by me would be one to see that he was in full knowledge of the facts—

Let us stop there. Where does a judge get his facts in conducting any kind of an inquiry or case? He gets those facts from the witnesses called before him, from the records of the court or from documents that have been put in as evidence, and not from the executive or any citizen of Canada. If this is not an attempt to influence a judge, there never has been any attempt.

Some hon. Members: Hear, hear!

Mr. Woolliams: Then we have the crowning statement that the minister wanted to see that he was in full knowledge of the facts and that he did his duty. I appreciate the prerogative of the Prime Minister in appointing judges, but I do not think the prerogative extends throughout the executive, allowing them to call judges to inform them of their duties or how to perform them. Again I suggest that this is not a question of whether judges were influenced, and I will have something more to say about that, but rather a question involving an attempt by the executive to intervene and to influence a judge. That is the important point.

Some hon. Members: Hear, hear!

Mr. Woolliams: I agree with the Minister of Justice and others that we have one of the finest judiciaries in the world. The appointment of judges by all governments has always taken place after a great deal of consideration of a man's education, training, and character, which the bar associations of this country demand of members of the bar. When a person is elevated to the Bench he must accept the challenge. Let me put this by quoting a former judge of the Supreme Court of Canada who was dealing with a commission in respect of a former judge who had resigned, Mr. Landreville. He said:

> A study is made of instances in the past where in Great Britain and in the United States the conduct of Judges has been under review by Parliament and by the Courts. The importance of the independence of Judges is emphasized: "It should be the guarantee of security to the weak against the strong and to the individual against the community; it should present a shield against the tyranny of power and arrogance and against the irresponsibility and irrationality of popular action—" "...

the underlying basic assumption is the intellectual and moral integrity of the judicial officer in his pronouncements."

We have heard day in and day out that Chief Justice Deschênes has said there was nothing wrong. I am going to refer to his letter, but he never talked to any of these ministers. He did not talk to the former minister of Consumer and corporate affairs or to the Minister of Public Works, and he did not talk to the Minister of National Health and Welfare (Mr. Lalonde). He has talked to his judges, and all he has said is that his judges have exonerated themselves and have done nothing wrong. But he has not had the chance to talk to the minister. I am glad the Minister of Justice has returned.

The Chief Justice has not talked to the ministers. How could he find, in view of the fact that he had no evidence before him, that the ministers had done no wrong? The only person marking that decision is the Prime Minister. He said they had done no wrong. That is why we are continually asking and that is why we have this motion before us, for which I congratulate the NDP, asking for an inquiry. The people of Canada and members of parliament are entitled to the facts, and those facts have not been obtained. They have been given to a judge secretly and quietly, The Prime Minister says he is the judge. He is the cardinal, he is the pope, he is the queen, he is everything. He has made the decision, he is judge and jury.

● (2050)

Some hon. Members: Hear, hear!

Mr. Woolliams: On the admission of the Minister of Public Works (Mr. Drury) there should have been a public inquiry, the kind of inquiry established by law so that information could be bared and so that we could have it before parliament and before the Canadian people. That is what we are requesting.

I know, Mr. Speaker, they have watched this for ten days and they cannot back out of it. They have even used questions of privilege which are fraudulent. They have used every method to avoid answering questions. Yet the Prime Minister, who must take the responsibility for it, says there is nothing wrong. I think there is something wrong "in the state of Denmark", there is something wrong with the executive and something wrong with this government.

What are the facts? This is what the Minister of Justice said, and these are the only facts we know, the ones we pried out of the government. The former minister of consumer and corporate affairs was charged and found guilty of contempt of court because he ridiculed Justice Mackay's decision on the sugar case. He used such words—here I paraphrase—as that a judge that would make that decision would have to be insane.

An hon. Member: Silly decision.

Mr. Woolliams: That shows just how arrogant the Liberals still are.

The former minister of consumer and corporate affairs sought advice from the former minister of finance, Mr. Turner, who refused to intervene or interfere, who in fact rebuffed the minister. Then he turned to the Minister of Public Works, a lawyer, a Queen's counsel, a distinguished soldier, a minister of the Crown, who placed a call to Mr. Justice Hugessen. He called the judge to give him some facts and to tell him what his duties were.

What did Chief Justice Deschênes say in his report? His examination and his research were in reference to judges. He found their conduct above reproach, but he set out very clearly that he had no mandate in law or in ethics to examine what parliament was doing or what the ministers of the Crown were doing, or what members of parliament were doing. There is the issue, there is the essence of the indictments against the Prime Minister and his government and his failure to tell parliament and the people of Canada what his ministers are up to and why they feel they have the God given right, because the Prime Minister appointed them to the executive, to breach all the rules of the bar association, and indeed breach the ethics and standards of the very essence of democracy, the foundations of which rest upon a complete separation of the powers of the executive and the judiciary.

Let us take a look at what Chief Justice Deschênes said. He reminded the Liberal government of one of its great leaders, Sir Wilfrid Laurier. He said:

It is a strange doctrine to preach that the judges are responsible to parliament. Where is that responsibility? I have always understood that the judges were responsible only to their own conscience, and parliament has no power over them. True, they can be removed, but only on an address of both Houses of parliament. That law has been adopted to make them absolutely independent of parliament, and they are only responsible to parliament in extreme cases of malfeasance.

He also said:

It seems to me that we must discard any suggestion that the Canadian Judicial Council has a role to play in this matter. Its jurisdiction relates to an examination of complaints relating to the conduct of judges and not to complaints that might concern the conduct of third parties in relation to them

—namely, ministers who intervene, who call judges and try to tell them what their duties are. That is what Mr. Justice Deschênes told them.

He also said this:

I consider myself however under no obligation in relation to Parliament—save that of good behaviour—nor towards the government, and the invitations to undertake an inquiry which have been addressed to me in the House of Commons appear to me to be out of place.

In other words, he said it would probably be out of place for him to make any comment on what the ministers did or what the members of parliament did in their intervention or in their attempt to influence judges. That letter of the Chief Justice has no bearing on the issue in finding out what went on within the executive and how they attempted to influence judges.

The Chief Justice also said:

I was not appointed to conduct a commission of inquiry and of course it is obviously not one of my functions to set myself up as a semi-official investigator on behalf of the House of Commons.

Then he went on to talk about what happened with reference to the telephone conversation with the Minister of Public Works and he gave an account of what Justice Hugessen wrote to him on the subject as follows:

Mr. Drury telephoned me during the hearing of the contempt proceedings against André Ouellet. The call came to my home, in the evening, after dinner, when I was in the basement helping my youngest son . . .

Then he went on the say what the minister said to him. When the Prime Minister said there had been no offences under the code, perhaps someone should take a look at the code. This is what Mr. Justice Hugessen wrote:

The conversation dealt with two aspects of the Ouellet case:

1. Whether it would be possible for Mr. Ouellet to make a formal apology—

The Acting Speaker (Mr. Turner): I regret to inform the hon. member but the time allotted to him has expired. He may continue with unanimous consent. Does he have the consent of the House?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

Mr. Anthony Abbott (Mississauga): Mr. Speaker, it is with deep regret that we on this side of the House have heard that the Minister of Consumer and Corporate Affairs (Mr. Ouellet) had chosen to tender his resignation as minister.

As a result of the controversy and the extent of politization brought in this issue, it had become impossible for him to discharge his responsibilities as Minister of Consumer and Corporate Affairs and to continue to protect the interests of the Canadian consumers.

During the brief period in which I had the pleasure to sit with him in the House, I was often impressed by his ability, the respect he was showing for his responsibilities and his warm relations with backbenchers.

His departure from the cabinet will be a serious loss for the government. However, we hope that one day in the near future he will be re-appointed as a minister.

[*English*]

No one can have sat in this Chamber or read the debates concerning this matter without being conscious of the strong feelings held on both sides of the House. No need exists for me to recite the facts. Certainly the motion as proposed by the NDP is extreme in its critical implications, in my judgment unduly so.

For whatever reason, we are now engrossed in what is at worst an unseemly squabble, at best an assurance that direct ministerial communications to judges on cases being considered by them will be a thing of the past.

In respect of the controversy I would wish to deal with the independence of the judiciary, the call for a public inquiry, and the related situation of the Minister of Public Works (Mr. Drury).

The independence of the judiciary of this country as guaranteed by law and tradition is inviolate. This is underlined by the quotation of a speech by Sir Wilfrid Laurier to this House on September 15, 1903, as quoted by Chief Justice Deschênes in his report. The only power parliament itself has over judges is to remove them on grounds of malfeasance, but only on an address of both Houses of Parliament.

● (2100)

Clearly, then, if Parliament itself lacks any power over the judiciary, no member of parliament or single minister could be in such a position. Cries by opposition members that the judiciary is a fragile blossom which might be trampled on by a minister, no matter how powerful, are sheer nonsense. The judiciary is independent and will remain so, not because of the forbearance of the government but because it has guaranteed rights which cannot be thwarted by parliament itself.

Some hon. Members: Hear, hear!

Mr. Abbott: The question of a public inquiry opens problems for parliament and the judiciary which seem to me to be difficult in the extreme. Since parliament should zealously guard its privileges, any such inquiry involving its own members or members of the judiciary should necessarily be by a committee of parliament. If the misdemeanour lies with a judge, that is a parliamentary responsibility. If the misdemeanour is that of a member of parliament or minister responsible to parliament, that matter also must be heard by parliament.

Clearly, parliament would not wish to delegate this fundamental task to an outside body. We might thus have a committee of parliament conducting an inquisitorial investigation of what ministers might have said to ministers, what ministers might have said to judges, what judges might have said to judges, what judges might have said to lawyers, what lawyers acting for judges might have said to newspaper reporters, and so on, and on, and on. Even if parliament were to delegate the function to an outside appointed tribunal of inquiry, the same features would exist. Surely those wishing to maintain public respect for the independence of the judiciary would not welcome such a form of inquisition.

An hon. Member: They would not phone a judge either.

Mr. Abbott: The report of the Chief Justice of Quebec recited the facts and concluded that no impropriety could be asserted to have been committed by the President of the Treasury Board (Mr. Chrétien) or the Minister of National Health and Welfare (Mr. Lalonde). Nonetheless, they both apologized for any possible embarrassment caused by their contacts with the justices in question. Chief Justice Deschênes characterized the phone call of the Minister of Public Works (Mr. Drury) as grave, presumably meaning serious, or even very serious. Justice Hugessen had himself thought the call improper and so advised the minister at the time of the call.

There is now no doubt in anyone's mind that the phone conversation should not have taken place. The minister has recognized the impropriety of the act by an apology and by the tendering of his resignation. The question is, then, of the consequences or the penalty. The minister, with his unquestioned sense of public responsibility, saw his duty and carried it out. He was entirely prepared to accept the extreme penalty of climaxing a brilliant and honourable career by an exit in disgrace. Surely even the most uncharitable would look at all the facts and question the severity of the sentence which would be imposed if the minister's tendered resignation were accepted.

First, with regard to the telephone conversation itself, forgetting for a moment the indiscretion in placing the call, Mr. Justice Hugessen reported two items. One was to ask if an apology could bring the proceedings to an end.

The other was to advise of a situation the minister perceived respecting English-speaking, French-speaking relations.

Again, setting aside the question of the act of telephoning the judge, the minister believed he was conversing on a personal level with the best intentions in mind. I have heard no one assert anything to the contrary, and certainly not Mr. Justice Hugessen.

The facts of the indiscretion, coupled with the comments of the Chief Justice, presented the minister with the only honourable course to which he felt he had recourse, that is, to offer a full apology and his resignation.

The Prime Minister (Mr. Trudeau) quite properly, in my judgment, brought other tests to bear. He acknowledged the lapse of judgment; he did not excuse it. He recognized that in future, with the present example in mind, that a harsher penalty might be applied. He also recognized that the career of one of the most dedicated, honourable public servants produced by this country should not be destroyed by this single lapse of judgment.

Some hon. Members: Hear, hear!

Mr. Abbott: In the relatively unchartered waters presented by such a case it is difficult to know what sort of penalty should fall on a minister. It is an unsolved problem of democracy as to what penalty should follow from errors, follies, ignorance or even innocent miscalculations. In sterner times heads were the forfeit.

Despite willingness to acknowledge the splendid record of the Minister of Public Works, his integrity, and the basically innocent motivation behind his impropriety, some hon. members now seek his head, figuratively, as well.

An hon. Member: We want your head.

Mr. Abbott: Well, you won't get it.

Some hon. Members: Hear, hear!

Mr. Abbott: Surely the motivation behind an indiscretion or impropriety of this sort must be considered. If it was greed, venality, or even a desire to enhance his personal power, it could be understood and condemned. In this case, knowing the man, knowing what he said, and knowing his high standards of personal integrity, his motive was an honest desire to help a friend and a colleague.

In any event, the error was made. Perhaps one should recall the disarming remark of that great President of the United States, Franklin Roosevelt.

An hon. Member: Richard Nixon?

Mr. Abbott: I am not thinking of your hero; I am thinking of Franklin Roosevelt.

Some hon. Members: Hear, hear!

Mr. Abbott: Franklin Roosevelt said, "I don't often make a mistake, but when I do it's a lulu."

In recent days we have heard the comparison made with the incident involving Hugh Dalton, British Chancellor of the Exchequer, who was obliged to resign when a newspaper printed a budget item which was leaked. In that case, though the indiscretion did not result in any action detrimental to the state, there was the long principle of the inviolability of the budget and the discretion of the Chancellor of the Exchequer. In the letter Prime Minister Atlee wrote accepting Dalton's resignation he pointed out this specific feature of the circumstance, and the historic character.

In this case before our parliament there was neither an attempt to influence the judge, as confirmed by the judge, not a feasible ability to do so. Nor again was there the long, hallowed tradition of a budget indiscretion. The analogy breaks down on every count.

I do not take issue with the oppostion criticism of the government's embarrassment in this issue. Not only is the government vulnerable, but I think the principle of judicial independence has been reinforced.

I do not support the idea of a public inquiry, for the reasons I have cited.

The core of my plea is a simple one. It is that all of us recognize that too few men of the character of the Minister of Public Works have given their lives to the public service of this country. His career has been a noble one in the highest possible tradition. Whatever else might come of this sorry chapter, I plead with the House to recognize that sometimes, in the words of the poet, "mercy should allay our stern resentment".

In a few days or weeks the House presumably will have turned its attention to other matters. I hope, and indeed pray that the honourable career of the Minister of Public Works will not be a tragic and unnecessary casualty of battle.

Some hon. Members: Hear, hear!

• (2110)

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, in the few moments allotted to me tonight I should like to speak to the House on what I consider to be the inexcusable pattern of delays running through this whole "dial-a-judge" affair.

First of all, I should like to make a few comments respecting the words of wisdom and long lecture given to us tonight by the relatively new Minister of Justice (Mr. Basford). With as much kindness as I can muster tonight, and with the feelings that I have on this matter, I should like to say to the Minister of Justice that some of us, on this side of the House in any event, need no lecture from him in respect of the high duties and high principles expected from attorneys general in this country and indeed throughout the whole British legal system.

Some of us have held that high office—in some ways in a more onerous administration of justice responsibility than he has, for a longer time than he has held that job.

An hon. Member: Now you are in the big league.

Mr. Lawrence: I would agree with him that there certainly are special duties in respect of the attorneys general and Minister of Justice of this country and throughout the provinces. I bring up the question of the time table and the

delays by the Minister of Justice only because he seems to be making a big thing of it.

Let us go back for a moment, if we may, in respect of what was said.

An hon. Member: Lost your notes?

Mr. Lawrence: Yes, I have lost my notes, solely and simply because I was not prepared to get into this until the Minister of Justice spoke. He made a great thing of saying that he received a letter on February 11 of this year from Mr. Justice Mackay which contained several broad allegations of improper activity on the part of his fellow ministers.

He did not act immediately on those allegations by letter. Instead he waited seven full days until February 18, one full week, until February 18 before he then fired off a letter to Mr. Justice Mackay which in effect said to Mr. Justice Mackay: what do you mean?

Mr. Woolliams: It was pretty obvious what he meant.

Mr. Lawrence: I think one week is far too long for a minister of justice to delay on a matter as important as that. In any event, on February 18 he dated a letter to Mr. Justice Mackay and said "I want details, I want specifics, I want the actual facts; no more of these allegations because I do not know."

Mr. Justice Mackay got that letter on February 19 and on February 20 dated a letter to the Minister of Justice in which he indicated in some detail fairly specific allegations of improper activity on the part of three of the colleagues of the Minister of Justice in the ministry respecting interference, or respecting intervention in any event, with members of the judiciary in the province of Quebec. On February 20 that letter was dispatched by Mr. Justice Mackay. The minister has not indicated when it reached his office but I suspect that was at least on February 21.

The minister comes along in a great blaze of glory here tonight to say that, under no pressure from anyone, on March 4 he sent off an epistle to Chief Justice Deschênes asking him to investigate the whole matter.

May I merely point out to you. Sir, that on the evening of March 2, fully two days before that letter of March 4 to Chief Justice Mackay, this story broke in the press of this country. The *Globe and Mail* on the evening of March 2 broke the story.

An hon. Member: How did they get it?

Mr. Lawrence: I am not worried how they got it yet, although I think we all should be. In any event, I merely want to say that, to me, the Minister of Justice was derelict in his duty by sitting or having others in his office sit on that letter between February 21 and March 4 before he did anything about it.

Some hon. Members: Hear, hear!

Mr. Lawrence: If he is so all fired blown up with the importance of the position he now holds I merely suggest to him, through you, that he should and could have acted much faster. One of the real conundrums in this matter is that no information gets out, either in this House of Commons or in the media, unless it is dragged out of these people kicking and screaming all the way.

I say that the Minister of Justice was derelict in his duty; if he was not around then his deputy was equally derelict for not acting on that letter long before they did. My suspicions are that the only reason the minister got on it at all was because the whole thing was already before the press of this country.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Turner): The Minister of Justice (Mr. Basford) on a point of order.

Mr. Basford: Mr. Speaker, I think that raises a question of privilege because the hon. member is referring to dereliction of duty. I simply want to deny what the hon. member has alleged.

Mr. Lawrence: I think as well that the Minister of Justice, after giving us a lecture on the duties of attorneys general in this country, also did the wrong thing when he had that information. He referred it to a chief justice—a well renowned chief justice of this country, in such an odd way. I do not know if such a reference has ever been made before by a minister of justice in this country relating to a matter of such importance to a member of the judiciary, for that member of the judiciary to act in any manner, shape or form.

I merely want to read to you, sir, two short paragraphs from Chief Justice Deschênes' report which are self-explanatory. To me they are a very sharp rap over the knuckles to the Minister of Justice and the Prime Minister (Mr. Trudeau). On page 4 of the report Chief Justice Deschênes said:

> I consider myself however under no obligation in relation to parliament—save that of good behaviour—nor towards the government, and the invitations to undertake an inquiry which have been addressed to me in the House of Commons appear to me to be out of place.

All I can say to the Minister of Justice in relation to that is "hear, hear" for Chief Justice Deschênes because it was a wrong proposal in the first place not to give the man the investigative machinery or equipment he needed. This was a report that had to be based on an investigation when the Chief Justice really had one hand tied behind his back. He also said:

> I can also only dismiss the proposition that I proceed to interview privately one or other members of the cabinet whose names were mentioned in the House. I was not appointed to conduct a commission of inquiry and of course it is obviously not one of my functions to set myself up as a semi-official investigator on behalf of the House of Commons.

Sir, no complete, thorough, impartial investigation could be made by Chief Justice Deschênes under those half-hearted terms of reference given to him by the Minister of Justice who boasts tonight about his separate and impartial duties.

I say that the Minister of Justice was derelict in his duty by doing what he did: he is still, sitting there tonight, derelict in his duty because he will not call, whether his Prime Minister likes or not—because he as Attorney General of Canada will not call a public judicial inquiry into this matter.

Some hon. Members: Hear, hear!

Mr. Lawrence: There is one further matter that the Minister of Justice in his boastfulness tonight did not deal with, and that is the question of the public release of the Deschênes report. I ask you, Sir, to refer to *Hansard*, to when this matter first came to the attention of the House. The Minister of Justice responded to representations made by the Leader of the Opposition (Mr. Clark) and the leader of the New Democratic Party (Mr. Broadbent) by saying that, if he had his way, he would not release the Deschênes report to this House, or make it public. He said that even before he saw the report.

● (2120)

Mr. Baker (Grenville-Carleton): Page 11613 of *Hansard*.

Mr. Lawrence: That was strange behaviour on the part of the Minister of Justice and Attorney General of Canada. His attitude amounts to a travesty of justice.

I turn now to the Prime Minister. The Prime Minister was minister of justice in a previous Liberal government. By training and occupation he ought to be especially aware of the duties and responsibilities of those involved with the judiciary. It is a crying shame that the Prime Minister cannot distinguish between an improper action and an illegal action.

Some hon. Members: Hear, hear!

Mr. Lawrence: Obviously ministers of the Crown are in a somewhat different position. The onus on them is greater, and the standard of care they ought to exercise in making sure they act with propriety is that much higher. Obviously the Prime Minister considers that such standards are met as long as what ministers do is not illegal.

Mr. Benjamin: You mean, so long as they do not get caught.

Mr. Lawrence: Why, I have known of ministers of finance being bounced out of office simply because they revealed some contents of a budget minutes before the budget speech was made in the House. That was not illegal, but it was improper. Traditionally, under our British parliamentary system of government, such improper actions are enough to force a minister's resignation.

This afternoon we heard the Prime Minister lecture us on what could be done in a contempt of court action. I could not believe my ears when I listened to him. Let me repeat at least one sentence of his speech, and if I misquote I hope the right hon. gentleman will say so. Talking about the intervention of the Minister of Public Works (Mr. Drury) with associate Chief Justice Hugessen, the Prime Minister said this afternoon, and I quote, "It was important to know in some way what sort of an apology would be expected." He was referring to the apology to be made to Mr. Justice Mackay. Mr. Speaker, bargaining like that, on the part of a party to an action or others, should take place in court, preferably in open court, in the presence of counsel for both parties.

That a minister of the Crown, who himself is a member of the bar should do something expressly forbidden by the code of ethics of the province in which he was called to the bar makes the offence more heinous. He did something which ought not to be done in any circumstances. I do not care what his motives were. The very fact he intervened with a justice seized of the matter is enough.

Again this matter came to our knowledge not because any minister was impelled, on the grounds of political morality, to disclose anything. We know about it because a member of the Quebec bar blew the whistle on the government. A disgruntled lawyer had not received his fees, and that led to disclosure. That is why the judge himself felt impelled to write the letter. Unless there is a public inquiry the public of this country will wonder on how many other occasions such an intervention took place.

Only after these matters were made public did something else happen. Forced by the media, by what took place on the floor of the House of Commons and by public opinion, the Minister of Public Works tendered his resignation. His delay in tendering it should be remembered.

The final act occurred today when the former minister of consumer and corporate affairs tendered his resignation. His excuse for tendering it was that somehow the contempt of court appeal hanging over his head made him unable to perform his duties as a responsible minister of the Crown. Sir, tonight we are in the third week of March, 1976. The former minister's notice of appeal was filed in the last week of January, 1976. If the former minister of consumer and corporate affairs was truly upset by this sword hanging over his head, why did he wait until this late hour before resigning?

I think the Prime Minister was derelict in his duty in not asking for, and receiving, specific information on this matter. He ought to have received it long ago. I think the Minister of Public Works was derelict in not submitting his resignation long ago. The Minister of Justice was also derelict in his delays. I condemn the former principal aide to the Prime Minister for delaying disclosure of the part he played in this matter. There is one reason and one reason only for these delays. The information has to be dragged out of these ministers on the floor of the House of Commons. If it were not for the work of the media we might know nothing of this. Faced with the criticism in the House and in the media, they grudgingly did something which ought to have been done weeks ago. In the case of two ministers it ought to have been done years ago.

Only one course of action will satisfy the members of this House. Hon. members, including those of the Prime Minister's party, know that only a full, complete, public and impartial judicial inquiry into this whole sorry mess of wire pulling and influence pushing will satisfy the people of this country.

● (2130)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, since the very beginning of this incident, members of the opposition have had a full opportunity to bring the Prime Minister (Mr. Trudeau) and the government to account in the House of Commons. All the parliamentary devices have been utilized. There have been endless and repetitive question periods. In fact you could use all possible adjectives to describe the question periods with the exception of the adjective "searching".

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. MacEachen: They have used obstruction tactics. Last Friday, while the House was proposing to resume a debate on the law of the sea and depletion of the fishing stocks on the Atlantic coast, the hon. member for Winnipeg North Centre (Mr. Knowles) moved to adjourn the debate and the House adjourned.

Some hon. Members: Shame!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Does the minister not know that that is not true, that I moved the adjournment during the hour between four and five o'clock after the fisheries debate had ended?

Mr. MacEachen: The hon. member for Winnipeg North Centre and I are good friends. Indeed at one time we could have been described as close partners, in the period of minority government when we both pursued common goals and objectives. However, the hon. member for Winnipeg North Centre has now, with a customary display of fickleness, selected new partners.

Some hon. Members: Hear, hear!

Mr. MacEachen: Indeed on Friday afternoon when the House was in an uproar I was surprised to learn that the Leader of the Opposition (Mr. Clark) had decided to seek the assistance of the hon. member for Oshawa-Whitby (Mr. Broadbent), having concluded that there was little opportunity to find that assistance within the ranks of his own followers.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. MacEachen: What a chill must have gone through the spines of the delegates who recently attended his national convention when they learned that the Leader of the Opposition had called upon the NDP. In the minds of his followers, the call upon the hon. member for Oshawa-Whitby must have been a greater impropriety than a call by any minister to any judge.

Some hon. Members: Hear, hear!

Mr. MacEachen: I can tell the Leader of the Opposition in the way of friendly advice, don't count on the NDP; they let you down when you need them most.

Some hon. Members: Hear, hear!

Mr. MacEachen: Today, despite the claim of the hon. member for Fundy-Royal (Mr. Fairweather) that the House of Commons is beset with a crisis of cynicism, the opposition have exercised their ultimate weapon. They moved a motion of non-confidence and they want to bring the government down.

Some hon. Members: Hear, hear!

Mr. MacEachen: The hon. member for Fundy-Royal thinks we would have it otherwise. We would not have it otherwise. We want your questions. We do not mind your obstruction, and we are ready tonight to accept the judgment of the House on the conduct of the Prime Minister.

Some hon. Members: Hear, hear!

Mr. MacEachen: The main complaint of members of the opposition is that the Prime Minister has failed to accept the resignation of the Minister of Public Works (Mr. Drury). The Prime Minister has given his reasons for not accepting the resignation that was offered. I believe that the reasons given by the Prime Minister do credit to his sense of justice and to his depth of understanding of human nature.

Some hon. Members: Hear, hear!

Mr. MacEachen: The opposition disagreed with that judgment and thereby display their desire for an over-kill solution to this problem. The peoples' representatives will deal with that subject tonight. They will back up the Prime Minister in the House of Commons and later, when this issue goes to the people, they will back up the decision of the Prime Minister of Canada.

Some hon. Members: Hear, hear!

Mr. MacEachen: The Prime Minister told the House and the Canadian people today that in this situation an apology, repentence, and amendment are enough. The opposition wants capital punishment.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. MacEachen: The hon. member for Fundy-Royal, who in other circumstances is an enemy of capital punishment, today lined up with all others who are demanding not only an apology and a resignation from the Minister of Public Works, but for a beheading to end his career abruptly and to banish from public life in Canada one of the most distinguished members of the House of Commons.

• (2140)

The hon. member for Fundy-Royal dwelt upon another subject, the equality of the citizen before the law. He made a most unusual argument in asking the House of Commons whether a poor man would be permitted to enter the living room of a Justice in Westmount or whether a poor man would be allowed to telephone the Associate Chief Justice of Quebec. Surely the hon. member came dangerously close to accusing the judiciary of Canada of bias.

Some hon. Members: Oh!

Some hon. Members: Shame!

Mr. Stanfield: Pathetic!

Mr. Knowles (Winnipeg North Centre): Time!

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I always heard that when the government is in difficulties it brings up its heavy artillery. The hon.

gentleman who has just resumed his seat is the only speaker who has taken part in this debate who has managed to talk for nearly 15 minutes without touching the subject. Neither he nor the Prime Minister (Mr. Trudeau) have been able to understand the difference between a minister acting illegally and a minister violating parliamentary tradition, particularly the two men who have a responsibility for seeing to it that ministers do not improperly abuse the power of their offices.

Hugh Dalton, because he told a newspaperman on his way into the House that the price of tobacco and liquor would go up, sent his resignation the next morning to Prime Minister Atlee who accepted it. He did so not because Hugh Dalton acted illegally but because he had used his position in violation of parliamentary tradition, which the House has the right to expect the Prime Minister and the Secretary of State for External Affairs (Mr. MacEachen) to protect and preserve.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Turner): It being 9.45 p.m. it is my duty to interrupt the debate and put forthwith every question necessary to dispose of the proceedings before the House, in accordance with section 9(a) of Standing Order 58.

The question is on the motion in the name of the hon. member for Oshawa-Whitby (Mr. Broadbent). All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner): Call in the members.

The House divided on the motion (Mr. Broadbent) which was negatived on the following division:

● (2150)

(*Division No. 118*)

YEAS

Messieurs

Alexander
Alkenbrack
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Balfour
Bawden
Beaudoin
Benjamin
Brewin
Brisco
Broadbent
Cadieu
Caouette (Villeneuve)
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Crouse
Darling
Dick
Dinsdale
Dionne (Kamouraska)
Douglas (Nanaimo-Cowichan-The Islands)
Ellis
Elzinga
Epp
Fairweather
Forrestall
Fortin
Fraser
Friesen
Gauthier (Roberval)
Gilbert
Gillies
Grafftey
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hees
Hnatyshyn
Hogan
Holmes
Horner
Howie
Huntington
Hurlburt
Jarvis
Jelinek
Johnston
Jones
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Edmonton West)
La Salle
Lavoie
Lawrence
Leggatt
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacKay
MacLean
Malone
Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinnon
Mitges
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nielsen
Nystrom
Oberle
Orlikow
O'Sullivan
Paproski
Patterson
Peters
Reynolds
Ritchie
Roche
Rynard
Schellenberger
Scott
Skoreyko
Smith (Churchill)
Stanfield
Stevens
Stewart (Marquette)
Symes
Towers
Wagner
Wenman
Whiteway
Wise
Woolliams—102.

NAYS

Messieurs

Abbott
Allmand
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cyr
Danson
Daudlin
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Flynn
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc (Laurier)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
Maine
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Munro (Hamilton East)
Nicholson (Miss)
O'Connell
Olivier
Parent
Penner
Philbrook
Pinard
Portelance
Poulin
Railton
Raines
Reid
Richardson
Roberts
Robinson
Rompkey
Rooney
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stanbury
Stollery
Tessier
Trudeau
Trudel
Turner
Watson
Whelan
Yanakis
Young—128.

Mr. Speaker: I therefore declare the motion lost.

Motion (Mr. Broadbent) negatived.

Mr. Speaker: It being after ten o'clock this House stands adjourned until two p.m. tomorrow.

At 10.18 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, March 17, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ST. PATRICK'S DAY

GREETINGS AND BEST WISHES TO ALL CITIZENS—MOTION UNDER S.O. 43

Mr. Joe Flynn (Kitchener): Mr. Speaker, I move under the provisions of Standing Order 43 and seconded by the hon. member for St. John's East (Mr. McGrath):

That this House bring greetings to all members in the name of that great saint of piety and humour and that the blessings of St. Patrick shine over all of this wonderful Canada of ours.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I have great difficulty in understanding how such blessings could be prevented from shining over this great Canada of ours whether or not we put the motion.

Some hon. Members: Hear, hear!

* * *

HEALTH

SUGGESTED MEETING WITH PROVINCES BEFORE PROCEEDING WITH BILL C-68—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave under the provisions of Standing Order 43 to present a motion of pressing and urgent importance. I therefore move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House urges the government not to proceed at this time with Bill C-68 but to delay any further proceedings thereon until after there has been a meeting of the Minister of National Health and Welfare with the health ministers of the provinces.

Mr. Speaker: Pursuant to Standing Order 43 the motion cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

AGRICULTURE

SUGGESTED DEBATE ON MEASURES TO ENSURE ADEQUATE INCOME FOR INDUSTRIAL MILK PRODUCERS—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to introduce a motion dealing with an important matter of pressing necessity.

Since the federal government should establish a long term policy to protect and stabilize the production of industrial milk, since this important industry should at least enjoy the same increase in income as other fields of activity to compensate for the cost of living instead of having their income reduced by some 20 per cent this year, I move, seconded by the hon. member for Champlain (Mr. Matte):

That, before the implementation of the government dairy policies for 1976-77, this House discuss immediately the necessity of respecting established quotas and having adequate measures to guarantee decent incomes which would at least take production costs into account and put a stop to the ever growing discouragement felt by those producers.

Mr. Speaker: The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

ORAL QUESTION PERIOD

[*English*]

ADMINISTRATION OF JUSTICE

DATE ON WHICH PRIME MINISTER KNEW OF MR. OUELLET'S REQUEST OF MR. DRURY TO CALL JUDGE HUGESSEN

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is to the Prime Minister. Yesterday the Prime Minister acknowledged that he had the right to know the conversations between ministers that may involve any impropriety. On Monday, as indicated at page 11788 of *Hansard* the Prime Minister said:

I have not only the word of the Minister of Consumer and Corporate Affairs but also the public statement of the Minister of Public Works that he—

Being the Minister of Public Works.

—did this—

Being the intervention.

—was not pushed to do it by anyone and that he—

The Minister of Public Works.

—took full responsibility.

● (1410)

My question is this. In light of the admission yesterday by the former minister, that he asked the Minister of Public Works to intervene, did the Prime Minister know about that request for intervention before Monday of this week? If not, when did he learn of that request for intervention?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, Mr. Ouellet told me about that precise request he made to the minister on Monday of this week.

Mr. Clark: Mr. Speaker, may I ask a supplementary question? The Prime Minister indicated that he conversed with the ministers involved. He now suggests that his conversations with the former minister of consumer and corporate affairs did not reveal that information, that is, that the former minister of consumer and corporate affairs had made the request of the Minister of Public Works. Just so that I can be clear, is the Prime Minister telling the House that for almost two weeks after Mr. Justice Mackay made his allegation, an allegation now clearly vindicated, that he, the Prime Minister, did not ask the former minister of consumer and corporate affairs if he had requested that intervention by the Minister of Public Works?

Mr. Trudeau: Yes, Mr. Speaker. That is right. I got the answer from the minister on Monday, the day before yesterday, and I explained to the House yesterday why that was my line of conduct. As soon as Justice Mackay's letters were published or made public in the press, I wanted to, and did, ascertain from both ministers whether they had done anything which might be interpreted as illegally interfering with the court or impeding the course of justice. I got that assurance from them. Because I wanted to make sure that that was not a one-sided assurance, we followed the course which the Minister of Justice took, of asking the point of view of the courts on this matter: did they feel there had been any illegal interference. Until I had that judgment or assessment from Chief Justice Deschênes on Thursday night, I did not attempt to know exactly, in all details, what went on between the two ministers.

Mr. Clark: Mr. Speaker, is the Prime Minister, as the only person responsible for the propriety of conduct of ministers, telling the House that the only question he put to the two ministers involved—and any others whom we do not know about but who might have been involved—was whether they thought they had been involved in an illegality? Did he ask whether they thought they had been involved in an illegality? Is that the only question he put to them?

Mr. Trudeau: Mr. Speaker. I just answered that. I asked if there had been an illegality, or an improper attempt to interfere with the course of justice, or to influence a decision, and so on. That was my concern. I wanted to make sure that there had been no attempt to interfere with the course of justice in any way which would be improper, illegal or considered unacceptable.

Mr. Baker (Grenville-Carleton): Or which could be considered as wrongdoing.

Mr. Trudeau: I got their answers and I wanted to hear from the chief justice what the point of view of the courts was on this.

ALLEGATIONS OF INTERFERENCE BY JUDGE MACKAY—REASON PRIME MINISTER DID NOT QUESTION MINISTERS TO ASCERTAIN FACTS

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, this I find incredible. Will the Prime Minister, as the person responsible for the propriety of conduct of ministers, tell the House how he felt he had the right to sit back and wait for the courts to report on the matter, without asking detailed questions as to whether the allegations raised by Mr. Justice Mackay were in fact the case? What right did he have to sit back and avoid facing his ministers with the question as to what, precisely, they had done?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I felt that I had not only the right; I had the duty not to delve into this question, as it might have been—

Some hon. Members: Oh, oh!

Mr. Trudeau: —completely irrelevant to the allegations of Justice Mackay. The allegations of Justice Mackay were to the effect that there had been serious interference with the course of justice. I wanted to assure myself, from the ministers, that this was not the case. I did assume myself from the ministers that that was not the case. I even had the assurance it was not illegal and not improper. Mr. Drury, obviously, would not have done something he believed to be improper. I had his version of it and Mr. Ouellet's version. According to both their versions, there had not only been no illegality; there had been no impropriety. Obviously, Justice Deschênes and Justice Hugessen do not share that point of view. However, I prefer to get it from them rather than to just hear from Justice Mackay. It seems to be perfectly in order.

INQUIRY WHETHER TYPE OF APPROACH TO JUDICIARY BY MR. DRURY WILL BE PROHIBITED

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a supplementary question for the Prime Minister. Yesterday the Minister of Public Works stated:

—I think the hon. gentleman would agree that a case before the courts in which the court itself appeared to be of the parties and a member of the executive being the other, carried out a full-scale battle based on a possible misunderstanding at the outset, would be an unnecessary confrontation, and any conflict based on this misunderstanding appears to me to be inappropriate and useless. It is the job of a public official to avoid this kind of thing if that can be done, and that is what I was seeking to do.

Will the Prime Minister assure us that he recognizes that that statement itself constitutes evidence of an attempt to influence the outcome of a court proceeding and, because

of the new so-called code of ethics, will be proscribed in the future?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as far as the code of ethics is concerned, I enunciated quite clearly on Friday rules which would indicate that in the future I do not expect that course to be followed. I have done that because it has been judged improper, because there has been an apology and so on. However, I must state, and I believe this is also Justice Hugessen's view, that the démarche of the Minister of Public Works was not viewed as something dishonourable. It was explained by Justice Hugessen on the contrary as something honourable, an effort by the executive and the judicial arm—

Some hon. Members: Oh, oh!

Mr. Trudeau: Hon. members can just refer to what Justice Hugessen said in his report to Chief Justice Deschênes. He said he was convinced that the Minister of Public Works' initative was based on a desire to avoid a confrontation. To me, there is nothing dishonourable in that.

Some hon. Members: Hear, hear!

REASON PRIME MINISTER DID NOT QUESTION MINISTERS ABOUT INTERVENTION WITH JUDGES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. In none of the letters released to the press two weeks ago today was there any reference to illegal behaviour by any minister. Will the Prime Minister explain why he did not put the direct non-legal question to the ministers about whom allegations had been made, to the Minister of Public Works on the one hand "Did you or did you not intervene with the judge on behalf of the former Minister of Consumer and Corporate Affairs" and to that minister, "Did you or did you not ask the Minister of Public Works to intervene on your behalf".

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I saw in those letters, as did members opposite, that in fact the Minister of Public Works had spoken to Justice Hugessen. This was alleged by Justice Mackay. Naturally, I asked the Minister of Public Works was this so, what was he trying to do and was he trying to do something improper, as Justice Mackay alleged he was interfering in the course of justice. I think that is the expression used by Justice Mackay. I wanted to assure myself that in the view of the Minister of Public Works, he was not trying to obtain a different or better decision, but trying to make sure that any conflict between an individual and the courts, a confrontation as was just described in the previous question, would be avoided, if possible.

At that stage, I addressed myself to the Minister of Public Works, since he was mentioned in Justice Mackay's letter. I also addressed myself to the Minister of National Health and Welfare because he too was mentioned in the letter, even though his interventions in 1970 were not made as a minister, but as an official.

An hon. Member: It took some time.

Mr. Trudeau: Yes, it took some time. I think that is very relevant. As the hon. member looks at the dossier, he might ask himself why Justice Mackay took that length of time to be indignant about it.

Some hon. Members: Hear, hear!

● (1420)

Mr. Trudeau: If the hon. member looks at the dossier he might ask himself why Justice Mackay took that length of time to become indignant about it.

Some hon. Members: Hear, hear!

Mr. Trudeau: I addressed myself to the third minister who was brought into question by Mr. Justice Mackay, the then minister of consumer and corporate affairs. I must confess I do not remember asking questions immediately of the minister of consumer and corporate affairs. I am sorry the President of the Treasury Board was the third one. Mr. Justice Mackay does not mention the hon. member for Papineau except in passing, as he mentioned my name in a way in which hon. members have been, I guess, gracious enough or wise enough not even to refer to. I remember that the hon. member for Papineau had indeed talked to me and presumably asked advice of many other colleagues and friends at the time of his trial. But his name was not brought into play by Mr. Justice Mackay in any improper way. I do not remember whether in those days I asked anything further of the hon. member for Papineau.

Mr. Broadbent: I must say, and I make this comment most seriously, that I find the Prime Minister's answer extraordinary. If, as I understand it, the Prime Minister had posed a direct question two weeks ago to the three ministers most directly involved and got honest and direct answers, even the information which has since been published, does the right hon. gentleman not realize that no reference for a report need have been made to the Chief Justice of the Superior Court of Quebec? Such a reference would not have been necessary had he obtained that information directly and conveyed it honestly to the House.

Mr. Trudeau: I reported to the House at the time that I had asked the question directly and I had the opinion of the ministers that they had not done anything illegal, that they had not done anything which, in their minds, appeared to be even improper. Hon. members heard the President of the Treasury Board explain the circumstances under which he made a phone call. He did not tell me he had done something improper. He felt at the time he was doing his duty to his electorate. The courts have a different opinion and that is why I issued the rules. The same applies to the Minister of National Health and Welfare and to the Minister of Public Works. It would be unthinkable that they would do something deliberately which they knew would be improper and which would get them into trouble with the judge.

Some hon. Members: Oh!

Mr. Trudeau: Members opposite do not have to take my word for it. They just have to take what Justice Hugessen himself sees as the reason for the intervention by the Minister of Public Works; he says he thinks it was done

with the best of intentions. I believe the judge uses the same expression in reference to the Minister of National Health and Welfare; he says he did it for reasons of state and not for personal advantage. So when I got this kind of answer from the ministers I took it at face value—and this is the value which the judges themselves are putting on it.

Some hon. Members: Hear, hear!

Mr. Broadbent: With specific reference to the hon. member for Papineau, I should like to ask the Prime Minister whether or not he put the following direct question to that minister: Did you urge the Minister of Public Works to intervene with the judge on your behalf? If the right hon. gentleman did not ask that question, I should like to ask the right hon. gentleman this: did he not leave the House for two weeks with the impression that that question had been posed, and, consequently, does he not leave his office open to the very serious charge that there has been two weeks of attempted cover-up concerning this matter?

Mr. Trudeau: I have no doubt in my mind that that is the charge the hon. member is attempting to establish. But he has my answers during those two weeks in which I made it quite clear that I asked the ministers whether they had acted illegally or improperly. Having ascertained from them that they had not—

Mr. Clark: In their judgment.

Mr. Trudeau: In their judgment, I said.

Mr. Clark: Not in your judgment.

Mr. Trudeau: Not in my judgment, Mr. Speaker. But it is because our judgment might conceivably be put in doubt by the other side that I found it fit and proper to ask the courts, through the Minister of Justice, what was their version of the facts. Until that was obtained I was satisfied with the response of my ministers, and as I indicated to the House yesterday I did not feel that I had, to use the words that have been used, the right and duty to get into all aspects of this question. So far as conversations between ministers having anything to do with illegality or even, in their view, impropriety, I do not feel I have a right to know every detail.

[Translation]

REQUEST FOR INQUIRY TO DETERMINE IF JUDGES INTERFERED WITH GOVERNMENT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would also like to direct a question to the Prime Minister.

Since the official opposition as well as the NDP are requesting an inquiry into the behaviour of two cabinet ministers in order to clear this whole matter, and we share their opinion, does the Prime Minister believe that such an inquiry would help unclog the business of the House and does he not also think that it would be advisable in conducting this inquiry to have certain judges appear before the same committee to determine precisely whether there has been any interference from them into the affairs of ministers or government?

[Mr. Trudeau.]

Right Hon. P. E. Trudeau (Prime Minister): The leader of the Social Credit Party of Canada is referring to one of the difficulties I pointed out yesterday in the House. He is indeed asking the question, as I did myself in the House, whether an inquiry might be made and must be made by Parliament, that is the legislative branch of the government, on the conduct of the judges. Do we have the right to summon them here to answer on their conduct? The hon. member seems to think so. Anyway, I heard someone say yes. I do not think this is so sure, Mr. Speaker, and I do not think that it is sure either that judges would feel compelled to answer the call of Parliament to appear before us and testify, unless it is under the impeachment procedure. What seems rather strange to me in all this, since now the facts are known and those arguments explained, is that hon. members in the opposition keep complaining about interference by the executive with the judiciary, while they are quite in a hurry to urge interference by the legislative with the judiciary. This does not seem very consistent.

[English]

SUGGESTED ATTEMPT TO LEARN CONVERSATION WITH MR. TURNER CONCERNING INTERVENTION WITH JUDGE—REQUEST FOR PUBLIC INQUIRY

Mr. Allan Lawrence (Northumberland-Durham): Judges have certainly appeared before public inquiries before, Mr. Speaker, but on a different subject completely may I address my question to the Prime Minister.

Some hon. Members: Not so.

An hon. Member: Give an example.

Mr. Lawrence: I can give an example if hon. members want: a former justice, Mr. Justice Landreville for one. In any event Mr. Turner, the former minister of justice told a television reporter on Monday that he learned a lot because he "keeps his mouth shut". Now that the Prime Minister concedes that the conversations related to at least an act of impropriety, has the Prime Minister attempted to pry his version of these events out of Mr. Turner?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the question must have been asked in jest. Mr. Turner was no longer a member of the cabinet when the contempt of court proceedings were initiated. When I say that conversations between private individuals as far as I am concerned are privileged, and that I have no right to pry into them, surely that applies also to the former Minister of Justice and former finance minister.

● (1430)

Mr. Lawrence: Mr. Speaker, because there is an act of admitted impropriety here, and because there is no allegation that Mr. Turner acted improperly but was a party to conversations leading up to that impropriety, surely his credibility as a witness to the question of intent is valuable and would be valuable in the public interest. Will the Prime Minister now allow an independent investigation which could gather such evidence from such witnesses?

Mr. Speaker: Order, please.

REQUEST FOR CONTENT OF CONVERSATION BETWEEN MR. OUELLET AND MR. DRURY CONCERNING INTERVENTION WITH JUDGE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, we are getting information in little bits and pieces and having to pry them out. I should like to put this question to the Prime Minister which might shorten this whole problem. Yesterday the Prime Minister told the House that "parliament also has that right" which he possesses to examine conversations between ministers "when there is any wrongdoing". He went on to state that on the part of the Minister of Public Works there was in fact "an element of wrongdoing". This being the case, is the Prime Minister now prepared to inform the House of the exact nature of the conversations between the Minister of Public Works and the former Minister of Consumer and Corporate Affairs? If we get these facts then surely we will know where we stand.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, yesterday the then Minister of Consumer and Corporate Affairs stated what he had asked the Minister of Public Works. Therefore, the facts are now before the House. They were not before the House until then because, and I repeat, we were waiting for Mr. Justice Deschênes' view of those facts. It was our intention to get the view and the appreciation of the courts on what had happened. Obviously, the actors involved on this side had not done anything which they then considered to be improper. If the courts judged differently then we were bound to take into consideration their assessment of it, and it is because of that that I enunciated new rules on Friday. I repeat, Mr. Speaker, the facts the opposition has been trying to get have been made known in so far as they were relevant to this case. If the hon. member is interested in gossip or irrelevant things which might have been said between those two ministers or any others he will not get them from me and I hope he will not get them from the others. Similarly with a court of inquiry, it would only ask questions which are relevant to some form of misconduct.

Some hon. Members: Hear, hear!

REASON PRIME MINISTER DID NOT SECURE FULL DETAILS OF CONVERSATIONS BETWEEN MINISTERS CONCERNING INTERVENTION WITH JUDGE

Mr. Eldon M. Woolliams (Calgary North): This is most interesting, Mr. Speaker, but I am not interested in gossip.

An hon. Member: Oh, no!

Mr. Woolliams: I am interested in knowing what the Prime Minister had to say and what the ministers had to say to him in reference to the matters which are relevant to this issue. Perhaps I could put this question to the Prime Minister then. The Prime Minister went on to state that he did not find "the exact details" of conversations between ministers in this regard "satisfactory", and that is to be found at page 11846 of *Hansard*. Can the Prime Minister tell this House why he did not seek a full clarification of detail from his ministers when he first learned of the affair since he, and not the Chief Justice, bears the responsibility for the conduct of his ministers? The Chief Justice has said that.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have the impression that the hon. member is asking the same question in a different form. I have given the facts as they were relevant at the time, and as it became more important for me to know further facts about the private conversations, and as that became apparent to me after Justice Deschênes' report on what the Court viewed as improper conduct, I obtained those facts as far as I could and made them known to the House. They were made known to the House yesterday.

Mr. Woolliams: Mr. Speaker, will the Prime Minister tell us the exact date he found out those facts, because it seems to me he waited an awful long time?

Mr. Trudeau: Mr. Speaker, if the hon. member reviews the blues he will see that I gave the exact date.

POSSIBILITY PRIME MINISTER MISLED BY MINISTERS CONCERNING CONVERSATIONS ABOUT INTERVENTION WITH JUDGE

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I should like to follow up on the questions of the hon. member for Calgary North. Can the Prime Minister tell this House how it is possible for him to find these versions presented by the ministers "satisfactory" on March 10, as indicated at page 11660 of *Hansard*, and "not satisfactory" on March 16, that is yesterday, as indicated at page 11846? Is the Prime Minister implying that his ministers misled him with regard to the details or intent of their conversations, or is it his opinion that they were merely suffering from one of those lapses of memory which the Prime Minister persists in in smearing the reputation of a judge of the Superior Court of Quebec?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, they were not lapses of memory. They gave me answers to what I asked of them.

Some hon. Members: Oh, oh!

Mr. Trudeau: In between the two dates mentioned by the hon. member there was the publishing, the sending to the Minister of Justice and the tabling in the House of Chief Justice Deschênes' report.

Mr. Hnatyshyn: Mr. Speaker, did the Prime Minister then studiously avoid seeking the exact details of the conversations between the Minister of Public Works and the former Minister of Consumer and Corporate Affairs following the letter of Mr. Justice Mackay which states that "After Mr. Ouellet asked Mr. John Turner to intervene on his behalf with the judge presiding over the contempt of court proceedings and was promptly rebuffed, he approached Mr. Drury with more success—"? Did he get the facts dealing with these particular questions of the minister?

Mr. Trudeau: Yes, but things that were not relevant, like what the then Minister of Consumer and Corporate Affairs said to Mr. Turner, were none of my business and I

did not attempt to know them. What he might have asked of other ministers I did not attempt to find out either. I happen to know what he asked of me and there was nothing illegal or improper about it. In so far as what he might have asked of ministers who were brought into the issue by Justice Mackay's letter, I did ask him those questions and I have given the answers as I obtained them.

* * *

[*Translation*]

PUBLIC SERVICE

POSSIBILITY EMPLOYEES DESIGNATED BILINGUAL WILL RECEIVE BONUS

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, I want to ask a question of the President of the Treasury Board.

Since the Anti-Inflation Board recognized last Thursday that the additional compensation paid to civil servants appointed to positions that are classified or designated as bilingual was acceptable, and since the board admitted that the government's agreement to pay that bonus went back well before October 15, 1975, can the President of the Treasury Board inform the House whether he intends to table in the House the correspondence received by the Anti-Inflation Board, when the civil servants appointed to positions designated as bilingual will receive that additional compensation and whether that compensation will be retroactive to January 1, 1976?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the hon. member asked me three questions. First of all, as regards the correspondence, I do not have it in my possession. I do not know if it would be appropriate to table it, because it also involves the union which represents those employees. We intend to continue our negotiations with the union to find an adequate solution and only after those negotiations are over will I be in a position to say when the program can be implemented and whether it will be retroactive.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

CONTRADICTION BETWEEN REPORT OF JUDGE MACKAY AND STATEMENT OF MR. LALONDE—MEANS OF CLARIFYING

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Prime Minister. The Prime Minister indicated prior to the receipt of the report of the Chief Justice of Quebec that he would not rule out a public inquiry into the matter, yet after receipt he has elected not to go to a public inquiry. There seems to be one matter where there is significant difference in terms of the three instances of alleged attempted interference, and that is the matter of the Sir George Williams University case. Will the Prime Minister advise the House how the public will be able to resolve in its own mind the clear contradiction between the report of Mr. Justice Mackay that there was an attempt to interfere with the date that the decision would be taken in the case, and the indication from the minister, and he was not a minister at that time, that in fact it was merely an inquiry about the date of the case? How can the public be satisfied without some kind of further statement on that clear contradiction?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I suggest that if they seek satisfaction they might read Justice Deschênes' report which, on the issue itself, says that he considers it closed, that it is something that was not obviously serious enough six years ago to have given rise to any kind of complaint to the chief justice. The second thing is, I suppose, that people will realize members opposite and others are particularly insistent about interferences by ministers with judges, and then they will suddenly remember, as the member does, that the man was not a minister then, but an official, and the whole issue would really—

● (1440)

An hon. Member: Of your office.

Mr. Trudeau: Of my office, who was asking on behalf of the Undersecretary of State for External Affairs, a pretty high official in the government. Mr. Speaker, given those facts—

An hon. Member: What was in your mind at that time?

Mr. Trudeau: The loudmouth over there might like to stand up and ask a question.

Mr. Leggatt: Mr. Speaker, in view of the fact that the Prime Minister had responsibility at that time, as I understand it, would he advise the House whether he believes the conduct of his then official was proper if the version given by Mr. Justice Mackay is correct.

Mr. Trudeau: Mr. Speaker, I think I have a very simple answer to that hypothetical question. It was given by Justice Deschêne himself who does not tell us if he finds his version correct or not. But assuming that he does, he says that the case was unusual—insolite. He goes no further and he closes the case.

REASON PRIME MINISTER CAN IGNORE REQUEST FOR PUBLIC INQUIRY

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, having been given some cause in recent days to recall the generally acknowledged principle enunciated with such effectiveness by Lord Acton to the effect that while power corrupts absolute power corrupts absolutely, I should like to ask the Prime Minister—

Some hon. Members: Order.

Some hon. Members: Question.

Mr. Munro (Esquimalt-Saanich): I should like to ask the Prime Minister—

Some hon. Members: Louder.

Mr. Munro (Esquimalt-Saanich): —whether he considers that because of the absolute power he exercises over his party he can ignore in an equally absolute fashion the

wishes of Parliament and the country for a public inquiry into the matter of how his ministers have been conducting themselves vis-à-vis the judiciary.

Mr. Speaker: The hon. member for Simcoe North.

Some hon. Members: Sit down.

Mr. Munro (Esquimalt-Saanich): Ten o'clock, Mr. Speaker.

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ANTI-INFLATION PROGRAM

REQUEST FOR CLARIFICATION OF GUIDELINES FOR PROFESSIONAL FEES

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address a question to the Minister of Finance. I want to thank him for sending the brief over to me. In view of the confusion in respect of the incentives and disincentives to professional practitioners and others that limit their increase to $2400, I should like to ask the minister if he can clear up the anomaly. Specifically, if a doctor should double his income is he then limited to $2400 or to $4800.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the response to this would have to be found in section 28 of the compensation regulations under the Anti-Inflation Act and in particular subsection (e). Perhaps I could refer the hon. gentleman to this. In the case of a practitioner being able to establish that in the current year he either worked longer hours or by a change in professional practice upgraded the kind of service he was rendering he would, under those circumstances, be able to increase his income beyond the $2400 limit. Obviously if he were doing the same amount the same kind of work as he had in previous years, he would be restrained within the $2400 limit.

Mr. Rynard: Mr. Speaker, I should like to ask whether it would be possible to have this regulation printed in simple language that the ordinary citizen could understand.

Mr. Macdonald (Rosedale): Mr. Speaker, I would be glad to do so and perhaps even in language that a medical doctor could understand.

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[*Translation*]

PUBLIC SERVICE

POSSIBILITY EMPLOYEES DESIGNATED BILINGUAL WILL RECEIVE BONUS AND IN WHAT FORM

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to put to the President of the Treasury Board a question that follows from the questions of the hon. member for Maisonneuve-Rosemont which I find most relevant.

Could he tell the House whether he is prepared to recommend a bilingualism bonus for bilingual civil servants?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, we have never spoken of such a thing as a bonus for bilingualism. We merely said we would consider each bilingual job and, when the work of the employee concerned who has to work in both official languages, becomes more complicated because it involves using both languages, we would then add points to his job classification. That is what we intend to do after negotiations with the unions are completed.

Mr. La Salle: Mr. Speaker, I have a supplementary question.

In view of the minister's reply about additional points, could he tell the House whether he means amounts of money or so many more percentage points in salary?

Mr. Chrétien: Mr. Speaker, those points will be assessed like any other point. When a civil servant is required to type, he is given so many points; if required to write, he is given so many more. If he has to use both languages, he will be given still more. If the total number of points warrants an increase in salary, so much the better for him; if not, too bad.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

FAILURE OF JUDGE HUGESSEN TO REPORT MR. DRURY'S CALL NOT EXONERATION—REQUEST FOR PUBLIC INQUIRY

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Prime Minister. I see I have his attention now. The Prime Minister has claimed that the conduct of the Minister of Public Works "was not complained of by the judge at the time". However, I should like to point out that Mr. Justice Hugessen stated that rightly or wrongly he did not take any action with regard to the call which he described as "improper". Is the Prime Minister now prepared to concede that the failure of Mr. Justice Hugessen to report the action taken by the Minister of Public Works cannot and should not be construed as an exoneration of that action.

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, if that action is the failure to report I do not want to sit in judgment over Mr. Justice Hugessen's failure to report, except that it did reveal a state of mind on the part of the judge that he did not consider this serious enough to be viewed as interference with the course of justice.

Mr. Alexander: Mr. Speaker, I would remind the Prime Minister that the Associate Chief Justice indicated that the conduct was improper and subsequently the Chief Justice went further and said that matter was grave. I ask the Prime Minister how he can justify his conduct in not wanting a full inquiry when in fact the implication is by one judge that the conduct was improper and another judge thought it was extremely serious by way of being grave. How can he justify that there is no implication that there should be a full inquiry in respect of this matter?

Mr. Trudeau: Mr. Speaker, the question flips over halfway through. At the outset I was asked how I could justify

it. The answer is that I do not justify it. There was an apology; there was an offer of resignation; there was a condemnation by me in a statement that I did not accept this as good judgment on the part of the minister. If I do not justify it, I blame it, Mr. Speaker. That is the answer to the first part of the question. The second part of the question has been dealt with *ad nauseum*. If the hon. member wants to know the answer I will give it again, but he might prefer to read *Hansard* of yesterday afternoon.

REFUSAL OF PUBLIC INQUIRY INTO ALLEGED INTERFERENCE WITH JUDICIARY BY MINISTERS—OTHER MEANS OF OBTAINING FACTS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the Prime Minister said in the House last Friday that all the facts were now known. In view of the fact that we do not have the facts as to whether or not the former minister of consumer and corporate affairs asked the Minister of Public Works to intervene, in view of the fact that we do not have the facts as to whether or not any other ministers were involved or, to use the words of the Minister of Public Works, whether public-spirited citizens were also involved, and since we do not have the facts with reference to the discrepancy between the statement of the Minister of National Health and Welfare regarding why he interviewed Mr. Justice MacKay and Mr. Justice MacKay's statement to the chief justice when he said, "I feel I was being asked to see that the jury's decision was delayed", and since these are facts which we do not have, I ask the Prime Minister will he launch a judicial inquiry? If not, will he tell the House how the people of Canada and members of parliament can secure the facts which we do not have and which are necessary if the ministers themselves are to be above public suspicion.

● (1450)

Mr. Speaker: Order, please. With all due respect, the question is substantially the same as that put by the hon. member for New Westminster and other hon. members.

ROLE OF PUBLIC-SPIRITED CITIZENS AND CONTENT OF CONVERSATION BETWEEN MR. DRURY AND MR. OUELLET CONCERNING INTERVENTION WITH JUDGE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, if you want me to put the question directly, I will put the question directly. I will put the question to the Minister of Public Works. I will ask the minister if the former minister of consumer and corporate affairs requested him to intervene with Mr. Justice Hugessen regarding the appeal case. I will also ask him, who are the public-spirited citizens to whom he referred, and what role did they play in this matter?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, in relation to the second part of the question—who were the public-spirited citizens, and what did they do—that has relevance to an inquiry as to the conduct of the judges, not of the ministry and not of parliament. I think the Prime Minister has made it quite clear that the government does not believe it is appropriate for us to institute an inquiry into the conduct of judges or the judiciary. The Minister of Justice has invited the Chief Justice to express his concerns to him, which he has done, and the role of public-spirited citizens in this event, as far as the Chief Justice was concerned, does not seem to have been a concern. I do not think it is appropriate for parliament to move in and say, "It should have been your concern and we are taking it up for you". I do not want to be a party to that.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): The Minister has not answered the question. I asked him a direct question. Your Honour ruled that my question was a repetition. I asked a different question. I asked the minister if he had been requested by the former minister of consumer and corporate affairs to intervene. He gave a long lecture as to what the Prime Minister meant by something he said the other day, but he did not answer my direct question. Did he or did he not receive a request from his former colleague to intervene with Mr. Justice Hugessen? That is a simple question.

Mr. Drury: I am sorry, but apparently the hon. member cannot have been in the House yesterday. The appropriate person to whom to direct that question is the former minister of consumer and corporate affairs.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): That is pure sophistry. That is a Trudeauism.

Mr. Forrestall: What are you hiding?

Mr. Drury: Some hon. members regard that answer as a cover up.

Some hon. Members: Hear, hear!

Mr. Drury: And for the applauders I may say that my concept of that is an invitation to me to be a tattletale.

Some hon. Members: Oh, oh!

Mr. Drury: It is an invitation to me to gossip, and it is an invitation which I do not really feel inclined to accept.

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IMMIGRATION

PROTECTION GIVEN CANADIAN ENTERTAINERS BY REGULATIONS—GOVERNMENT POSITION

Mr. John Roberts (St. Paul's): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the recent demonstrations before the Canadian Broadcasting Corporation of Canadian actors and actresses protesting the importation of an American actress to play the part of Nellie McClung on CBC television, I wonder if the minister would tell the House whether he will undertake to examine with his department the present immigration regulations to ensure that the position of Canadian entertainers, actors, actresses and musicians is suffficiently protected by the present immigration regulations.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will certainly pay close attention to the representations of the hon. member. We have taken the view that, with regard to the areas of entertainment and this artistic performance, that we have to be extremely careful about imposing our judgment on the competence or the ability of Canadians or foreigners to perform those roles and also the question of making available to Canadians such outstanding talent as might be available from abroad or from within Canada. However, I will consider the representations of the hon. member.

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ADMINISTRATION OF JUSTICE

SUGGESTION PRIME MINISTER CALL ELECTION ON ISSUE OF ALLEGED INTERFERENCE WITH JUDICIARY

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in order to save the Prime Minister further grief, I should like to put a question to him which could bring this whole mess to an abrupt end.

Some hon. Members: Resign.

Mr. Jelinek: In view of the fact that in recent months we have seen two senior cabinet ministers resign and, according to the press, at least two others attempted to do likewise, and because of the fact that the Prime Minister said yesterday, and I quote, "I will be judged on my actions by not only the members opposite but by the country," I wonder if the Prime Minister, after having been judged yesterday by all three opposition parties, would now be in a position at this critical time of serious moral and economic crisis, while attempting to hold the remnants of his government together, to go to the people of Canada in order to give them an opportunity, as the Prime Minister himself said, to judge for themselves?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I can take the hon. member into my confidence and tell him that I am going to see the Governor General tonight—as I do every Wednesday.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

REQUEST FOR INVESTIGATION OF ALLEGED PRESSURE ON DR. CONNOLLY TO WITHDRAW CHARGES AGAINST WHITEHORSE

Mr. Erik Nielsen (Yukon): Mr. Speaker, my question is for the Minister of Justice. Since there appears to be substantial evidence involving officials of the Department of Indian Affairs and Northern Development and the Department of National Health and Welfare regarding threatening a civil servant of the Minister of National Health and Welfare with his job unless he withdrew charges he had laid, is the minister going to cause an investigation into those circumstances, which were raised in this place on March 4 and in committee on March 10, with a view to laying charges under section 127 of the Criminal Code against the officials of both departments involved?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, at least as far as I am advised, my officials have no information about such a threat. Of course, if the hon. member has, I would welcome that information. He may want to ask my colleague, the Minister of National Health and Welfare, with regard to the officials of the Department of National Health and Welfare.

Mr. Nielsen: The information was placed on the record on March 4 by the right hon. member for Prince Albert, which, according to my information, is accurate. I would be very happy to be the first person interviewed by the RCMP and to supply them with the information I have. However, I am asking the minister whether he will consult with his colleague and have that investigation commenced because there certainly appears to be sufficient evidence for charges to be laid under section 127 of the Criminal Code.

Mr. Basford: That is not my information, but I will examine this matter and see whether there is any material which should be referred to the Solicitor General for his consideration.

ALLEGATION COMMISSIONER SMITH WAS PARTY TO PRESSURE ON DR. CONNOLLY TO WITHDRAW CHARGES AGAINST WHITEHORSE

Mr. Bob Brisco (Kootenay West): Mr. Speaker, now that we have moved from dial a judge to dial a doc, I should like to ask the Minister of Justice if he has had an opportunity to refer to the minutes of the Standing Committee on Indian Affairs and Northern Development of March 10 in which officials of that department alluded to the fact that there is a distinct possibility that Commissioner Smith was in fact a party to the pressures applied to Dr. Connolly.

Hon. Ron Basford (Minister of Justice): No, Mr. Speaker, I have not. I, of course, naturally will.

• (1500)

PERSON WHO REQUESTED MR. LALONDE TO INTERVIEW JUDGE MACKAY DURING TRIAL OF STUDENTS FROM TRINIDAD

Mr. Peter Elzinga (Pembina): Mr. Speaker, my question is for the right hon. Prime Minister. Would the Prime Minister inform the House on whose instructions did his then chief executive assistant, now the Minister of National Health and Welfare, approach Mr. Justice Mackay during the trial on the Trinidad students? My question, Mr. Speaker, is specifically was it on the Prime Minister's instructions and if not, who gave the instructions?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not mind repeating an answer which is now some weeks old. The principal secretary was asked by the Department of External Affairs, namely the Under Secretary of State for External Affairs, then I believe Mr. Ritchie, who phoned my office to find out if we could be of some assistance to a friendly government in this matter. As the minister indicated, I was then travelling in the Canadian Arctic on an official trip on the way to the Yellowknife games in 1971—1970 and the principal secre-

tary took it upon himself, after having been requested in this way, to seek out an answer that was requested of us through the Department of External Affairs from a friendly government.

An hon. Member: Where was Mitchell?

[*Translation*]

REQUEST FOR INQUIRY ON THE INFLUENCES OF JUDICIARY IN THE POLITICAL FIELD

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, my question is directed to the right hon. Prime Minister.

Considering that the House is becoming more and more paralyzed by the interference of the executive in the judiciary and that hon. members from all sides of this House seem to act as offended virgins, would the Prime Minister agree to order a complete inquiry on the mutual influences of the judicial and political powers; this would enable us to know some of the 300,000 good reasons which can prompt a judge to leave his position to get a seat in this honourable House.

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

Fourteenth report of Standing Committee on Agriculture—Mr. Daudlin.

* * *

FISHERIES

PETITION BY CONSTITUENTS OF COMOX-ALBERNI

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the twenty-fifth report of the Clerk of Petitions stating he has examined the petition presented by the hon. member for Comox-Alberni (Mr. Anderson) and finds it meets the requirements of the Standing Orders as to form.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill S-31, to amend the Quarantine Act, to which the concurrence of this House is desired.

[Mr. Trudeau.]

[*English*]

PRIVILEGE

MR. ROY (TIMMINS)—ALLEGED INTERFERENCE BY MINISTERS WITH JUDICIARY—ARTICLE IN "GLOBE AND MAIL"

Mr. Jean-R. Roy (Timmins): Mr. Speaker, I wish to raise a question of privilege which is prompted by the events of the last few days and an article in the *Globe and Mail* of today, March 17, written by William Johnson in which he states:

> Significantly, all the Quebec members of parliament rallied around Mr. Ouellet at a special caucus meeting of the Liberal members on Monday night when he was assailed for his role in the judges affair by Lloyd Francis (Ottawa West), Robert Stanbury (York-Scarborough), Mark MacGuigan (Windsor-Walkerville), Jean-R. Roy (Timmins) and Iona Campagnolo (Skeena).

Some hon. Members: Oh, oh!

Mr. Roy (Timmins): Mr. Speaker, I deny categorically ever assailing at any time the former minister, and state Mr. Johnson's report in my regard to be an absolute lie. Indeed, the hon. member for York-Scarborough (Mr. Stanbury), who was also mentioned, was not even present at the meeting.

Some hon. Members: Hear, hear!

Mr. Roy (Timmins): Mr. Speaker, this irresponsible reporting by the *Globe and Mail* seems to me consistent with the bankrupt journalism of this newspaper—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Roy (Timmins): —and so my question of privilege is this: any reporter who is so irresponsible should be denied access to the press gallery—

Some hon. Members: Oh, oh!

Mr. Roy (Timmins): —and any such newspaper supporting such a reporter should also be denied the privileges of the press gallery.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Ottawa West (Mr. Francis) on the same question of privilege.

Mr. Francis: On the same question of privilege, Mr. Speaker, the reference in the article concerning myself is false.

Mr. Speaker: Order, please. Is the hon. member for Mississauga (Mr. Abbott) rising on the same question of privilege?

Mr. Abbott: On the same question of privilege, recognizing the error of the correspondents for the *Globe and Mail*—

An hon. Member: As usual.

Mr. Abbott: —and tempering justice with mercy, I would ask that they be permitted to frequent the parlia-

mentary press gallery provided they do not commit the sins that they have in the recent past.

Mr. Clark: Three more.

Mr. Speaker: Is the hon. member for Winnipeg North Centre (Mr. Knowles) rising on the same question of privilege? The hon. member for Grenville-Carleton (Mr. Baker) on the same question of privilege.

Mr. Baker (Grenville-Carleton): Mr. Speaker, perhaps it would be only fair, in the course of things, if we kept these proceedings open until tomorrow so that those named today who are not present could also come to confession.

Mr. Speaker: Order, please. With regard to the hon. member for Timmins (Mr. Roy) and others who have contributed and have raised what seems to have the stature of a question of privilege, I am sure, having reference to the clear scope of the explicit, classical definition of privilege of members of parliament that has been repeated many times in the past, the House will understand if I do not find there is a prima facie question of privilege.

* * *

HOUSE OF COMMONS

MOTION TO ADJOURN

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in view of the continuing refusal of the government to appoint an independent inquiry into the sorry mess that is still before us, I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House do now adjourn.

Some hon. Members: Oh, oh!

Some hon. Members: Shame!

Mr. Speaker: Order, please. The question is on the motion of the hon. member for Winnipeg North Centre (Mr. Knowles), seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), that the House do now adjourn. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Yea.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

Motion to Adjourn

The House divided on the motion (Mr. Knowles (Winnipeg North Centre)) which was negatived on the following division:

● (1510)

(Division No. 119)

YEAS

Messrs.

Alexander
Alkenbrack
Andre
(Calgary Centre)
Baker
(Grenville-Carleton)
Baldwin
Balfour
Bawden
Benjamin
Brisco
Broadbent
Cadieu
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Coates
Crouse
Darling
Dick
Dinsdale
Douglas
(Nanaimo-Cowichan-The Islands)
Ellis
Elzinga
Epp
Fairweather
Firth
Forrestall
Fortin
Fraser
Friesen
Gilbert
Gillies
Grafftey
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hargrave
Hees
Hnatyshyn
Holmes
Horner
Howie
Huntington
Hurlburt
Jarvis
Jelinek
Johnston
Kempling
Knowles
(Winnipeg North Centre)
Knowles
(Norfolk-Haldimand)
Lambert
(Edmonton West)
La Salle
Lawrence
Leggatt
MacDonald
(Egmont)
MacDonald (Miss)
(Kingston and the Islands)
MacLean
Malone
Marshall
Masniuk
Mazankowski
McCleave
McGrath
McKenzie
McKinnon
Mitges
Muir
Munro
(Esquimalt-Saanich)
Murta
Neil
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
O'Sullivan
Paproski
Patterson
Peters
Reynolds
Ritchie
Roche
Rynard
Saltsman
Schellenberger
Scott
Skoreyko
Smith
(Churchill)
Stevens
Stewart
(Marquette)
Symes
Towers
Whiteway
Wise
Woolliams—92.

NAYS

Messrs.

Abbott
Allard
Anderson
Andras
(Port Arthur)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Basford
Beaudoin
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte Saint-Paul)
Caouette
(Témiscamingue)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Cyr
Danson
Daudlin
Demers
Dionne
(Kamouraska)
Dionne
(Northumberland-Miramichi)
Douglas
(Bruce-Grey)
Duclos
Dupont
Dupras
Duquet
Ethier
Fleming
Flynn
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Haidasz
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Jamieson
Jones
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel

Messrs.

Lapointe
Laprise
Leblanc (Laurier)
Lee
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacFarlane
MacGuigan
Mackasey
Maine
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Martin
Matte
McIsaac
McRae
Milne
Munro (Hamilton East)
Nicholson (Miss)
O'Connell
Olivier
Parent
Penner
Philbrook
Pinard
Portelance
Poulin
Railton
Raines
Reid
Richardson
Roberts
Robinson
Rondeau
Rooney
Roy (Timmins)
Roy (Laval)
Sharp
Smith (Saint-Jean)
Stollery
Tessier
Trudeau
Trudel
Turner
Watson
Whelan
Yanakis
Young—127.

● (1540)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,832, 3,935, 3,987, 4,064, 4,114 and 4,152.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

BANK OF CANADA—NEW MONEY MUSEUM

Question No. 3,832—**Mr. Baker (Grenville-Carleton):**

1. How much was spent to send Major Carroll and his staff and designers from Information Canada/Expositions to visit more than 75 museums across North America and Europe in the course of researching the design for the Bank of Canada's new money museum?

2. What has been the total cost of the three years of research and planning that has gone into the design of the new money museum?

3. How much has been allotted for the purchase of display material including coins and paper money for the museum?

4. What is the total expected cost of the new money museum, including research, planning and construction phases of the project?

5. What private contracts have and will be let with regard to the design and eventual construction of the new money museum?

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): I am informed by the Bank of Canada as follows: 1. $10,900.

2. Total budget for research and designcosts is $201,000.

3. Over the last 15 years approximately $1,300,000 has been spent by the Bank of Canada on acquisitions of notes and coin for the National Currency Collection.

4. The National Currency Museum will be housed in the existing building of the Bank of Canada. The budget for the construction and equipping of the museum as such is $588,000.

5. Contract for construction work let to Ellis-Don Limited. The Expositions Directorate, formerly of Information Canada, is expected to be responsible for the fabrication of display facilities but no contracts have yet been let.

[Mr. Speaker.]

FISHERIES GUARDIANS—ATLANTIC REGION

Question No. 3,935—**Mr. Marshall:**

1. How many fisheries guardians were employed in the Province of Newfoundland in (a) 1975 (b) 1974 (c) 1973 (d) 1972 (e) 1971 (f) 1970?

2. What was their term of employment?

3. Are they eligible for unemployment insurance benefits after termination of their employment and, if so, has any consideration been given to setting up familiarization courses into anti-pollution measures or anti-poaching measures, rather than laying them off?

4. Has any consideration been given to providing instruction to fisheries guardians in the use of firearms and to allow them to carry firearms while on duty?

5. Is compensation provided for meals when fisheries guardians are away from their home base on duty and, if so (a) in what amount (b) for how long has such meal allowance been in existence?

6. What is the meal allowance for (a) fisheries wardens (b) all fisheries officials when away from their home base?

7. Has there been an increase in poaching activity in the Atlantic Region and, if so, what measures have been taken by the Department of the Environment to prevent poaching?

8. How much money under the 1976-77 estimates has been allocated to increase the number of fisheries wardens and guardians?

9. Has any consideration been given, on the basis of the cost of living increase, to increasing the meal allowance for fisheries guardians and, if not, for what reason?

10. Have any studies been carried out to assess the number of fisheries wardens and/or guardians required to provide adequate surveillance measures in the Province of Newfoundland and (a) if so, what were the findings (b) if not, for what reason?

11. By province, how many poachers have been apprehended in the Atlantic Region in (a) 1970 (b) 1971 (c) 1972 (d) 1973 (e) 1974 (f) 1975?

Mr. George Baker (Parliamentary Secretary to Minister of the Environment and Minister of Fisheries): 1. The number of fisheries guardians employed in Newfoundland for the years 1975 to 1970 inclusive are as follows: (a) 1975: 169; (b) 1974: 185; (c) 1973: 185; (d) 1972: 186; (e) 1971: 151; (f) 1970: 105.

2. The term of employment normally varies between a minimum of three months to a maximum of five months depending on the area and the requirements of the particular position.

3. Guardians are eligible for Unemployment Insurance Benefits if they have met the required number of contributory weeks. Familiarization courses have not been considered for fisheries guardians on termination of their employment as funds are not available for this purpose and in addition the turnover in these employees is such that it would be impractical.

4. Consideration has not been given to providing instruction to fisheries guardians in the use of firearms as it is not deemed to be necessary nor would it be practical in view of the length of the employment period and the annual turnover in staff.

5. (a) Meal allowances are provided for fisheries guardians away from their home base on duty in accordance with the rates laid down by the Treasury Board Travel Regulations. (b) This allowance has been applied since its inception.

6. Meal allowance for all fisheries staff when away from their home base on duty are at the rates provided under the Treasury Board Travel Regulations.

7. An assessment of overall poaching activity can at best only provide an estimate of the level of this activity. In

Newfoundland for the years 1970-1974 there was very little change in the pattern or level of illegal fishing but during 1975 there was a marked increase. For the most part this was due to low water conditions and the fact that most of the rivers in that province were closed during the salmon angling season. Throughout the Atlantic area poaching usually develops into a major problem in particular locations and this requires the deployment of additional staff during these critical periods. Such temporary transfers of staff are the principal measures used to control particular problems and are found to be quite effective.

8. No additional funds have been allocated in the 1976-77 estimates to increase the number of fisheries wardens and guardians and it is most unlikely that there will be any change in this regard in view of the budgetary constraints that are being applied generally.

9. Treasury Board reviews meal allowance rates on a regular basis and adjusts them accordingly to compensate for changes in the cost of living.

10. The requirements in terms of staff to provide an adequate enforcement and surveillance capability throughout Newfoundland are constantly under review. During 1975 a total of 65 fishery wardens and 169 fishery guardians were employed. Although conditions experienced in 1975 were probably extreme, a modest increase in staff for both classes of employee may be necessary and will be considered in planning for future staff requirements.

11. Information on the numbers of poachers apprehended in Newfoundland for the period 1970 to 1975 inclusive is as follows: (a) 1970, 238; (b) 1971, 202; (c) 1972, 210; (d) 1973, 201; (e) 1974, 239; (f) 1975, 420. The same information by province is only available from the Maritimes Region for the years 1974 and 1975 and is as follows:

	Nova Scotia	New Brunswick	Prince Edward Island
(e) 1974	149	295	36
(f) 1975	174	263	54

Total apprehensions for the Maritimes Region for the period 1970 to 1975, excluding Newfoundland, is as follows: (a) 1970, 526; (b) 1971, 470; (c) 1972, 485; (d) 1973, 492; (e) 1974, 480; (f) 1975, 491.

POST OFFICE DEPARTMENT

Question No. 3,987—**Mr. Firth:**

1. What is the range of services offered by the Post Office Department to each community in the Northwest Territories?

2. Are certain services available at some post offices and not at others and, if so, what is the criteria used for this decision?

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General):

Name of Community	Type of Post Office	General Delivery	Lock Box Service	Wicket Service
Aklavik	Accounting	x	x	x
Arctic Bay	Non-Accounting	x		x
Arctic Red River	Accounting	x		x
Baker Lake	Accounting	x		x
Broughton Island	Non-Accounting	x		x
Cambridge Bay	Accounting	x	x	x
Cap. Dorset	Non-Accounting	x		x
Chesterfield Inlet	Accounting	x		x
Clyde	Non-Accounting	x		x
Coppermine	Accounting	x		x
Coral Harbour	Accounting	x		x
Eskimo Point	Accounting	x		x
Eureka	Non-Accounting	x		x
Fort Franklin	Accounting	x		x
Fort Good Hope	Accounting	x		x
Fort Liard	Non-Accounting	x		x
Fort McPherson	Accounting	x	x	x
Fort Norman	Accounting	x		x
Fort Providence	Accounting	x		x
Fort Resolution	Accounting	x		x
Fort Simpson	Accounting	x	x	x
Fort Smith	Accounting	x	x	x
Frobisher Bay	Accounting	x	x	x
Gjoa Haven	Accounting	x		x
Grise Fiord	Non-Accounting	x		x
Hall Beach	Non-Accounting	x		x
Hay River	Accounting	x	x	x
Holman	Accounting	x		x
Igloolik	Non-Accounting	x		x
Inuvik	Accounting	x	x	x
Isachsen	Non-Accounting	x		x
Lake Harbour	Non-Accounting	x		x
Mould Bay	Non-Accounting	x		x
MP0 310 Belleville	Accounting	x		x
Norman Wells	Accounting	x	x	x
Pangnirtung	Non-Accounting	x		x
Pelly Bay	Accounting	x		x
Pine Point	Accounting	x	x	x
Port Burwell	Non-Accounting	x		x
Port Radium	Accounting	x		x
Rae	Accounting	x		x
Rankin Inlet	Accounting	x		x
Repulse Bay	Accounting	x		x
Resolute	Non-Accounting	x		x
Sachs Harbour	Accounting	x		x
Snowdrift	Accounting	x		x
Spence Bay	Accounting	x		x
Tuktoyaktuk	Accounting	x	x	x
Tungsten	Accounting	x		x
Whale Cove	Accounting	x		x
Wrigley	Non-Accounting	x		x
Yellowknife	Accounting	x	x	x
Pond Inlet	Non-Accounting	x		x

2. All post offices other than sub post offices provide basically the same range of services. There are some differences, however, in the extent of services, e.g. not all post offices provide lock-box rentals and the criteria in this case would be demand, available space, and equipment. Non-accounting post offices cannot accept C.O.D. mailings, but can deliver C.O.D.'s and collect the charges. Also, postmasters at non-accounting post offices do not sell money orders, but can arrange for their purchase through an accounting post office.

DREE—GRANTS IN CONSTITUENCY OF ROBERVAL

Question No. 4,064—**Mr. Gauthier (Roberval):**

1. Has the Department of Regional Economic Expansion ever granted money for public works in the Constituency of Roberval and, if so, in what amount?

2. For each such grant what was the (a) nature of the project (b) amount granted (c) municipality concerned?

Order Paper Questions

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, the Department of Regional Economic Expansion has committed $2,544,453 under the ARDA III program for public works in the Constituency of Roberval.

2. (a) Nature of project	(b) Total commitments/ DREE's share	(c) Municipality concerned
Zoological Garden development (Phase III)	$ 624,000 312,000 —DREE's share	St-Félicien
Provincial park development	2,582,000 1,291,000 —DREE's share	Val Jalbert
Industrial park	660,000 330,000 —DREE's share	Dolbeau
Municipal camping	450,000 225,000 —DREE's share	Mistassini
Camping facilities development	772,306 386,153 —DREE's share	Roberval

CONSTRUCTION OF HEAVY WATER PLANT NEAR GENTILLY, QUEBEC

Question No. 4,114—**Mr. Lambert (Bellechasse):**

1. On December 15, 1975, how much money had been spent constructing the Gentilly Heavy Water Plant?

2. Is construction still going on and, if not (a) for what reason (b) on what date will it be completed (c) what will be the total cost?

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Atomic Energy of Canada Limited reports as follows: 1. $84 million.

2. It should be noted that the answers being provided refer to the La Prade Heavy Water Plant being built by AECL near Gentilly, Quebec. Construction of the plant is continuing at a reduced rate as a result of the government's reduced spending restrictions on the project. The effects of the resulting delay to the completion of the plant are still being evaluated, and total cost data are not yet available. The project has been tentatively rescheduled to be completed by 1982.

PROVISION OF FUNDS—MASKAWACHEES CULTURAL COLLEGE, HOBBEMA, ALBERTA

Question No. 4,152—**Mr. Schellenberger:**

Will the Minister of Indian Affairs and Northern Development consider the advisability of providing funds for 1976 and subsequent years to the Maskawachees Cultural College in Hobbema, Alberta to afford native people an opportunity to continue their education?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): A submission has been made to Treasury Board to extend funding to Cultural Centres such as Maskawachees for the period April 1, 1976 to March 31, 1977. A revised mandate for the Cultural Centres program will be presented to Treasury Board by September 1976 concerning funding beyond March 31, 1977.

[Mr. Gauthier (Roberval).]

[*English*]

Mrs. Holt: Mr. Speaker, I rise on a question of privilege. I was elected to come here to represent 84,000 people in my riding of Vancouver-Kingsway, and I am unable to do so. I cannot do my job on behalf of the people who asked me to come here to serve them because of the political games being played here. A policeman who died in Calgary might not have died had we been able to proceed with bail reform.

Some hon. Members: Oh, oh!

Mrs. Holt: I am not being allowed to do my job because of gerrymandering and because of contempt of the House. Violence on the streets, murderers free on bail, hostage-taking becoming commonplace events, and we cannot work on legislation to get these situations corrected.

Some hon. Members: Hear, hear!

Mrs. Holt: Many motorists cannot even afford to buy licences in British Columbia. Young people cannot afford licences to get to their jobs. We could be working to find solutions to these matters, but the hon. members are not allowing me to serve my people. The 264 members of the House are not able to serve 22 million people because of the games he is playing. That member twice delayed the business of this House with motions to adjourn. A contempt of this House, contempt for the people of Canada and waste of $720,000 a day. That is wrong. It is contempt of this House. It is the second time that the NDP have done it, and gerrymandering is dangerous to Canada and an affront to the Canadian people who expect us to serve them—not play these silly games.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

MOTIONS FOR PAPERS

[*Translation*]

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you kindly call notices of motions for the production of papers Nos. 70, 72, 73 and 74.

[*Text*]

COPIES OF CORRESPONDENCE PERTAINING TO FRANCE-CANADA BOUNDARY AROUND THE ISLANDS OF ST. PIERRE AND MIQUELON

Motion No. 70—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all minutes of meetings, letters and telegrams pertaining to the negotiations which have taken place between the government and the United States on the continental shelf boundary disputes with regard to the France-Canada Boundary around the Islands of St. Pierre and Miquelon.

[*Translation*]

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the documents requested deal with negotiations or discussions between Canada and a foreign power—

[*English*]

Mr. Speaker: Order, please. I wonder whether the House would pay sufficient attention to permit the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) to hear the reply to a motion in his name namely, that an humble address be presented to His Excellency praying that he will cause to be laid before this House copies of all minutes of meetings, letters and telegrams pertaining to the negotiations which have taken place between the government and the United States on the continental shelf boundary disputes with regard to the France-Canada boundary around the Islands of St. Pierre and Miquelon.

[*Translation*]

Miss Bégin: Thank you Mr. Speaker, it is just like the first grade where I used to teach.

The documents requested in this motion deal with negotiations or discussions between Canada and a foreign power concerning the continental shelf boundary between their territories. The publication of those documents would be harmful to the position taken by Canada during those negotiations and discussions. Consequently, it is with deep regret that I ask my hon. colleague to withdraw his motion.

[*English*]

Mr. Marshall: Transfer for debate, Mr. Speaker.

Mr. Speaker: Transferred for debate.

[*Text*]

COPIES OF CORRESPONDENCE PERTAINING TO USA-CANADA BOUNDARY OF STRAITS OF JUAN DE FUCA

Motion No. 72—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all minutes of meetings, letters and telegrams pertaining to the negotiations which have taken place between the government and the United States on the continental shelf boundary disputes with regard to the USA-Canada Boundary of the Straits of Juan de Fuca.

[*Translation*]

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the request is absolutely identical, except that it applies to another foreign power and to Canada, and I would ask the hon. member to withdraw his motion for the same reason.

[*English*]

Mr. Speaker: Transferred for debate.

[*Text*]

COPIES OF CORRESPONDENCE PERTAINING TO ALASKA-BRITISH COLUMBIA BOUNDARY IN THE DIXON ENTRANCE

Motion No. 73—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all minutes of meetings, letters and telegrams pertaining to the negotiations which have taken place between the government and the United States on the continental shelf boundary disputes with regard to the Alaska-British Columbia Boundary in the Dixon entrance.

[*Translation*]

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, as far as the tabling of documents for motions No. 73 and No. 74 is concerned, the same conditions and the same answer apply, if my hon. colleague agrees.

[*English*]

Mr. Speaker: Transferred for debate.

[*Text*]

COPIES OF CORRESPONDENCE PERTAINING TO ALASKA-CANADA BOUNDARY IN THE BEAUFORT SEA

Motion No. 74—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all minutes of meetings, letters and telegrams pertaining to the negotiations which have taken place between the government and the United States on the continental shelf boundary disputes with regard to the Alaska-Canada Boundary in the Beaufort Sea.

[*Translation*]

[*Editor's Note: See answer on motion No. 73.*]

[*English*]

Mr. Speaker: Transferred for debate.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. May I ask the parliamentary secretary whether there is any good reason why my notice of motion for production of papers No. 96 could not be responded to immediately? I realize it has just hit the order paper, but all it asks for is a copy of the resignation last week of the Minister of Public Works and the reply thereto by the Prime Minister.

Mr. Blais: Mr. Speaker, I will look into the matter and report to the hon. gentleman.

Mr. Speaker: Shall the remaining notices of motions for the production of documents be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

MEDICAL CARE ACT

AMENDMENT TO LIMIT ANNUAL INCREASE IN PER CAPITA COST OF INSURED SERVICES UNDER MEDICAL CARE PLANS

The House resumed, from Monday, March 15, consideration of the motion of Mr. Lalonde that Bill C-68, to amend the Medical Care Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Medical Care Act

Mr. Speaker: Before recognizing the hon. member for Brome-Missisquoi (Mr. Grafftey) may I inform the House that according to our records, within the terms of the order of the House made previously pursuant to Standing Order 75C, some 2 hours and 31 minutes remain to complete the five hours ordered by the House. Therefore, the remaining 2 hours and 10 minutes this afternoon will not be sufficient time to permit the vote to take place today. The hon. member for Brome-Missisquoi.

Mr. Paul E. McRae (Parliamentary Secretary to Postmaster General): I rise on point of order, Mr. Speaker. I believe I was speaking on this bill. I commenced my remarks at about 10 minutes to 10, and I was speaking when the House adjourned. I believe I should be able to continue for the full length of my time.

Mr. Speaker: Order, please. The Chair was not, of course, aware that the hon. member for Fort William (Mr. McRae) had the floor at the adjourment of the debate. The hon. member for Fort William.

Mr. McRae: Thank you, Mr. Speaker. It is a pleasure to be able to resume the normal business of the House and discuss this very important bill. In the first few minutes that I had in addressing myself to this matter, I made a point that I think has constantly to be made since members of the opposition tend to have great difficulty dealing with what the bill proposes to do. I mentioned that the bill deals only with medical care. It does not deal with hospital care. It deals with a number of other things associated with medical care as distinct from hospital care.

● (1550)

The bill proposes for the first year it would begin, on April 1, 1976, that the increase in the federal allotment to the provinces for this particular item would not exceed 13 per cent, in the second year would not exceed 11 per cent, and in the third year would be negotiated but probably would be, I understand, in the area of 10 percent. This is what the bill does, and it does this under the circumstances of the anti-inflation program that now exists. We believe, with a good deal of reason, that the circumstances are favourable and we can expect an 8.5 per cent increase in the coming year in terms of cost of living as opposed to the 13 per cent increase in terms of medical costs allowed. In the second year we hope it will be down to 6 per cent as opposed to the 11 per cent, and so on. We think there is a good deal of generosity and extra money involved in this program and that we are justified in making these limitations.

I dealt very briefly with the contribution of the NDP in the area of medical care. I congratulated them for their many years of concern and effort toward achieving medical care in this country. They were not the only ones who were concerned, but I have spoken to them about this and I did congratulate them. I must also indicate that had the progressives in this country been in the Liberal party rather than off in the corner, the 40 years of effort might have enjoyed success considerably earlier. I would also grant that under any given circumstances an idea does not happen until its time has arrived.

Let me continue my thoughts on a few points which I do not recall having been mentioned in this debate in terms of

[Mr. Speaker.]

the position of the NDP and the Conservatives. What I have in mind is the basic difference existing in the House of Commons between this government and the opposition in respect of our relationship with the provinces. It is my personal belief that we, as the government, possibly because we have been in power longer in this century—

An hon. Member: Too long.

Mr. McRae: —have a far stronger federal, national position. I think this was the position of the Tory party when it was in power in the last century. The NDP and the Tory parties have become very closely related to the governments of the various provinces and I would suspect they are very strongly representing ultimate provincial interests when they oppose this bill. There is an interesting conflict. I do not mean there is a confrontation between the provinces and the federal government or that we want it to be this way. Our position, as the government in power, has to be one of responsibility and one that primarily concerns Canadians. It must be a position which recognizes that Canada is not just the sum of its provinces.

Let me deal with the Conservative viewpoint on this particular bill. My first area of comment relates to the question: Do we need medicare? I find it very difficult to understand why eight or ten years after the fact this question has arisen. I find it difficult to accept the suggestion that medicare was shoved down our throats. I am convinced, as I was convinced 20 years ago, that this kind of medicare program is absolutely essential. I was convinced of this more than anything else perhaps, by an event that happened in our family in the late 1950s.

A very close member of the family, a remarkable woman, spent her life raising a large family. She worked very hard for years and years. One thing, she wanted in her life above all else was that when she died there would be no bills to pay. She wanted to be self-sustaining. She bought into a private medical scheme and paid the premiums for nine years. It was a scheme offered by one of the largest companies, not a fly-by-night operation. She participated in this scheme which she felt would look after her, medically, so long as she kept up the premiums. What happened? I ask this question because I think the answer is important in terms of the need for medicare. She became ill with cancer and went into the hospital. After her having one operation, this company—one of the largest in the world in this field—sent a notice that it would no longer accept premiums from her to cover any illness in respect of cancer. She was never told about this. We did not have the heart to tell her that, after paying the premiums for all those years, she was not covered. We looked after the whole thing from then on, and she lived for only six months.

This was a very dramatic event in our family, following which the family and all our friends realized how badly we needed a medical care scheme. There were some good schemes in existence. PSI was one, but it did not cover everyone, at least in the province of Ontario. It covered a number of groups, but a large proportion of the people in the province did not belong to those groups. These are some of the reasons that lead me to believe we need medicare, and that is why this bill should be supported.

I could go on at some length in this regard, but I should now like to deal with the financial side of the matter. I find it very difficult to understand why the Conservative party is acting in what I consider to be a very irresponsible way in respect of this particular bill. This leads me to wonder if the beliefs of that party are sound or deep. We have now reached the fourteenth or fifteenth day of debate on this bill and we are still at second reading stage. The sole purpose of the bill is to limit medical expenses.

In the last few days members of the Conservative party have had their minds on other things, but during this session those members have been criticizing the government for its huge deficits and expenditures. They have continued to insist that we must cut back. I find their position on this bill very difficult to understand. Let us consider some government expenditures in order to determine why this is one area in which we must cut back or at least limit increases in spending. Let me take the fiscal years 1974-75 and 1975-76. In 1974-75, out of a total of $30 billion this government spent $8.6 billion on the whole operation of government, including the armed forces, all the departments and the public service. The balance of $22 billion was in the form of transfer payments to persons, provinces and corporations for subsidies, and so on.

● (1600)

This money went to persons in the form of old age pensions and unemployment insurance. It went to paying off the debt. These were transfers to people, organizations, provinces and other levels of government. Over two-thirds of the total amount was spent in the form of transfer payments; a very large portion was in transfer payments to the provinces. This amounted to $6.5 billion in 1974-75.

Let us look at 1975-76. In that year we went from $8.6 billion to $9.5 billion in respect of the total cost of the operation of the federal government, including the public service, defence and the whole bit. However, in the same period, while there was an increase of about $.9 billion, the cost of the transfer payments increased in excess of $4 billion: it went up to $26 billion. As a matter of fact, between those two periods the total expenditures of the federal government increased by 16.8 per cent. But of that 16.8 per cent increase between 1974-75 and 1975-76, only 2.8 percentage points were for the operation of the government, and 14 percentage points were in the transfer area. We can see from that, with a little calculation, that the transfer area was increasing between those two years at three times the rate of the increase in the operation of the government.

Mr. Grafftey: Do you know why?

Mr. McRae: I think I have some ideas. If the hon. member would like to tell us, he can. The point is that it is extremely significant that the transfer costs are increasing at three times the increase in the operational costs of the government. So I think we must look at these transfer costs because they represent a large proportion of the cost.

Although I have some experience in this regard I have difficulty understanding the opposition to this bill in terms of the cost-sharing programs. The Conservative party, but not the New Democratic Party to the same extent, constantly talk about cutting back. Anyone who has any experience—and I, as principal of a high school for many years, have experience in this regard—with cost-sharing formulas realizes that if you are the person spending the money, you trigger the amount spent.

I have been involved in cost-sharing arrangements where we put up 10 per cent and the other government put up 90 per cent. For putting up 10 per cent we got back a lot of money. That is the kind of thing that happens in cost-sharing. In order to make cost-sharing work with any degree of equity, I think it is necessary to have a ceiling. This is what is being done by this bill. A ceiling of 13 percentage points is being placed on the amount the federal government will give to the provinces for this particular program. This does not mean that the provinces cannot spend more. I think this is a necessary factor in cost-sharing. I think this can be a very dangerous arrangement when there is no recourse on the part of the one government, in this case the federal government, in terms of the amount it would have to put up. So if the Tory party is genuinely concerned about cutting back government expenditures, I think it must look at some of these cost-sharing arrangements.

I suggest to the Conservative party that we have made some attempt to cut back. We have not done all we could—there is no question about that—but we have done a significant amount in the area dealing with the operations: we have cut well over $1 billion from that. I am not particularly the type of person who argues that government expenditures essentially are a bad thing. As a matter of fact, even a government deficit would create jobs and promote growth in the country. However, if one wants to cut, I believe one must look at the area of the transfer of funds because this is where the money is. No one denies there is fat in the other areas, but this is the main area.

I have heard the suggestion in the House that one area we could cut is family allowances. We have done something in this regard in the form of indexing family allowances. The cutting of family allowances, in the sense of applying a means test, is a dangerous business. Family allowances, even for those who are fairly affluent in our society, represent an important thing for the family. I know there are very many people in our society, housewives, and so on, who consider this cheque to be very important, not just because they need the money but because it is not in the name of their husband or anyone else and it is theirs to spend as they see fit. That is a very important element. When one refers to the cutting of family allowances, that should be taken into account. If family allowances were to be cut or placed strictly on the basis of a means test, there might be a saving of half a million dollars, but this would affect many families because the family allowance cheque is an essential ingredient for any family, and not simply because the money is needed. So it seems to me we must look at many other areas.

I have not heard suggestions about how the cuts should be made; I have only heard suggestions that there should be cuts. We have not had any suggestions along this line from the opposition, because if the opposition were to say that there should be cuts here or there, then they would be taking the responsibility for those cuts and the public would hold them responsible. So when one is in the opposi-

tion, one does not say where the cuts should be, so the opposition does not have to take the responsibility. I challenge members of the opposition to say where they would cut significantly. I am not talking about a bit of fat here and there. I know that has to be done, but where can these cuts be made significantly? I suggest this is one of the areas we must move into.

● (1610)

We have made sure that the increases in medical care grants from the federal government over the years since the scheme has been in effect have been far greater than some inflationary increases and gross national product increases because it was important to improve medical care. So we let this happen. We have allowed no limits, because we felt it was worth while. Now the government says it must do some cutting and that there must be a limit. Things have been left up to this point. Health costs have been mounting at a tremendous rate. We know we have to impose a ceiling, and it has been set at 13 per cent for the next fiscal year. This seems like a reasonable situation. As I said earlier, 13 per cent is reasonable if during the fiscal year there is only an 8 per cent or an 8.5 per cent increase in the cost of living.

The increase is still greater than the total of the inflation in the dollar and the total of the increase in the gross national product. I think at this particular point there is some real justification for this kind of limitation. It is not a cut. We are not going to spend less; we are going to spend more than we did last year. However, we have a limit to a cost-sharing program whereby no one can spend so much money and trigger a very large increase on the part of the federal government. The cost-sharing areas have given us much trouble over the years, and I think this is a useful way of approaching this particular problem.

I should like to conclude by repeating something I said earlier. At first I was talking about the NDP, but now I shall refer to the Tory party. I believe the Tory party believes this country is the sum of its provinces and, rightly so, they have very close relations with the provinces. They have not been in power nationally for any significant period in this century, so therefore their ties are with their provincial governments, and rightly so, because there are four Tory provincial governments in this country and I am sure hon. members opposite have good relations with those governments.

Therefore, I believe some of the opposition to this bill stems partly from the support these federal members want to extend to their provinces, and rightly so. But I plead with hon. members to recognize that this country is something much more than the sum of the ten provinces. We in this House must deal with the good of the whole country, and this kind of limitation of cost-sharing arrangements is the one way in which we can significantly reduce federal government spending.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I do not know whether the previous speaker did so intentionally, but certainly indirectly one of the reasons—

An hon. Member: Oh, oh!

[Mr. McRae.]

Mr. Grafftey: I know how very boring it is when you are not given many responsibilities, so you just sit there all day, cackling.

The Acting Speaker (Mr. Turner): Would the hon. member please address the Chair?

Some hon. Members: Hear, hear!

Mr. Grafftey: Mr. Speaker, I will address the Chair and call on you to exercise your authority and call for silence from those cackling members. I am here to discuss seriously a gut issue in this country, and it will not be very helpful if the drones sitting opposite just sit there and yell all day. I have never heard the hon. member make a speech in this House in 20 years.

The Acting Speaker (Mr. Turner): Would the hon. member direct his remarks to Bill C-68?

Mr. Grafftey: I detected from the remarks of the hon. member who spoke previously, indirectly and directly, one of the reasons this country is in a great deal of trouble today. He articulated the kind of principles of federalism which are so often articulated by the Prime Minister (Mr. Trudeau) and the kind of view about Canada today which sort of wishes that we were not really a federal union at all, that we could just sweep the provinces under the carpet and pretend they do not exist or that we can confront them.

I believe one of the reasons this country is so divided today is that Ottawa has attempted, by confronting the provinces in the last eight years, to sweep regional and provincial differences under the carpet in an attempt to impose a monolithic uniformity on Canadian federalism. That is just not the kind of country we have. What the hon. member has just articulated is the kind of wishful thinking articulated by doctrinaire Liberals in the last eight years which has divided this country as it has never been divided. You cannot articulate an "either/or" debate. Any Canadian prime minister, be he Progressive Conservative or Liberal, has to defend and define a strong federal cause. But at the same time, whether the hon. member likes it or not, there are provinces in this country which must be co-operated with and worked with—not confronted.

I am very interested in the question of escalating costs vis-à-vis joint programs. I know why there are escalating costs vis-à-vis joint programs. It is because since World War II successive Liberal governments, without truly consulting with the provinces, unilaterally have imposed programs. Some of them have been very good programs in principle—medicare is one of them—but the government imposes programs without truly—I underline the word "truly"—consulting the provinces, working with them and listening to them. This is a government which does not listen. The minister is not even in the House today to participate in this important debate.

Some hon. Members: Oh, oh!

Mr. Kaplan: Mr. Speaker, on a point of order, as Parliamentary Secretary to the Minister of National Health and Welfare I should like to inform the House that the minister is attending a federal-provincial relations cabinet committee.

Some hon. Members: Hear, hear!

Mr. Kaplan: The minister is hoping to participate in the debate this afternoon and he has asked me to inform him if an opportunity to do so arises.

Mr. Grafftey: The reason for escalating costs in joint programs, underlined by the hon. member who preceded me, stems from the fact that very often they have been unilaterally imposed on the provinces without their being consulted about their various priorities and their needs, and very rarely *ab initio* from the very beginning have cost parameters been put on these cost-sharing programs. Then the hon. member has the nerve to come to this House and try to tell us costs are escalating out of control. Why are these joint programs which result in transfer payments escalating out of control? It is because the government has never listened to the provinces. Especially under this Prime Minister the government has pretended that there is no federal union at all in this country. This government treats the provinces as if they did not exist. Then the hon. member comes to the House wondering why transfer payments escalate out of control.

● (1620)

They ask me about cuts. I will tell them about cuts, Mr. Speaker. I sometimes wonder if ministers of the Crown have read the Auditor General's report. I suggest, before they start cutting a program that touches upon humane, decent and civilized—

An hon. Member: How about the foot soldier?

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Brome-Missisquoi has the floor.

Mr. Grafftey: We are talking about the centrifugal social program, a pioneer social program, in this House.

Some hon. Members: Oh, oh!

Mr. Grafftey: Mr. Speaker, I am going to appeal to you to call for discipline in this House. There is continual shouting, and no other forum in the western world would permit that sort of thing. I would ask Your Honour to exercise a little discipline.

The Acting Speaker (Mr. Turner): Order, please. The hon. member has the floor. I suggest we all listen; we might learn a few things.

Mr. Grafftey: Is this what hon. members opposite are paid for, to come and sit in the House and howl like jackasses all the time?

An hon. Member: How can you say anything: you were three months away from this House.

An hon. Member: Did you get your salary?

Mr. Grafftey: Mr. Speaker, they talk about cuts. Before this government starts cutting a centrifugal social program in direct relation to the humane, decent, civilized delivery of health care services, I ask them to read the Auditor General's report. It has a plethora of suggestions about where the government could cut real waste, duplication and more waste out of their expenditures. They ask where we would call for specific cuts. If they would just get a little bit of co-ordination between the Unemployment Insurance Commission and the placement offices, it would help. To change one substantive bit of law regarding the UIC could cut $2 million out of the budget. Also, what about the proper type of management for existing programs that the Auditor General has been recommending for years? Then there is about $1 billion in consultant fees to friendly Liberals. If they would just read the Auditor General's report and give the Auditor General managment control as well as—

Mr. Chrétien: Mr. Speaker, would the hon. member permit a question?

Mr. Grafftey: No, Mr. Speaker.

Mr. Chrétien: Mr. Speaker, I know the hon. member would not want to create a false impression in the House. If he had been following the debate under the chairmanship of one of his colleages at the public accounts committee, he would know that we have brought about some reforms in accordance with the wishes of the Auditor General. I know the hon. member would not want to create the impression that he is not aware of what is going on in the House of Commons and at a committee chaired by one of the members of his own party.

An hon. Member: He is never here.

An hon. Member: He has never read the report.

Mr. Grafftey: What about the future and the cost sharing programs with the provinces? This has nothing to do with putting cost parameters on the program. I hope hon. members opposite will not have to stand up ten years from now and talk about escalating control costs vis-à-vis transfer payments. After eight years of Trudeau socialism, after eight years of Trudeau Liberalism where total government expenditures have gone up from $10 billion to $36 billion, the record is going to show that not only has this government not put on the floor of this House of Commons one innovative, new social program, but that they are cutting back on existing ones passed by prior administrations. After over-tripling the budget, they are cutting back on prior social programs and have not innovated any new ones. What kind of record is that, Mr. Speaker? It has always been thus under Liberal administrations. The Auditor General has told them 50 ways of cutting expenditures.

Mr. Chrétien: Not at all.

Mr. Grafftey: We go to one committee after another, but what do they—

Mr. Béchard: I rise on point of order, Mr. Speaker.

Mr. Deputy Speaker: Order, please. I regret having to interrupt, but the hon. member for Bonaventure-Îles-de-la Madeleine (Mr. Béchard) is rising on a point of order.

Mr. Paproski: Mr. Speaker, I have a question of privilege.

Mr. Deputy Speaker: Order, please. The Chair cannot listen to two points of order at the same time.

Mr. Paproski: I have point of privilege.

Mr. Deputy Speaker: Order, please. We will start with one. I recognize the hon. member for Bonaventure-Îles-de-la Madeleine.

Mr. Paproski: Mr. Speaker, that is not a question of privilege; it is a point of order.

[*Translation*]

Mr. Béchard: Mr. Speaker, once the opposition whip will have heard my point of order, he will not rise on a question of privilege.

I would like to say that the hon. member for Brome-Missisquoi (Mr. Grafftey), who has been sitting in this House for a very long time, certainly knows the rules. No doubt he knows that he should address the House through your Honour, that he should not continually say: You have done this, you have done that. He must address the Chair. This seems elementary to me and the hon. member must know the rules of this House.

[*English*]

Mr. Paproski: On a point of order, Mr. Speaker—

Mr. Deputy Speaker: The hon. member for Edmonton Centre (Mr. Paproski), on a point of order.

Mr. Paproski: Mr. Speaker, I find there is a continuous filibuster on the other side of the House and our speaker is not allowed to be heard. There has been noise ever since the hon. member for Brome-Missisquoi (Mr. Grafftey) rose in his place. Hon. members on the other side of the House have not let him speak. If we want to carry on with this debate and be responsible in this House, they should keep their mouths closed and listen to the hon. member.

Some hon. Members: Hear, hear!

An hon. Member: What about responsibility?

Mr. Oberle: It is their closure, Mr. Speaker.

Mr. Deputy Speaker: Order, please. I must admit there has been some kind of interference, purposely or not. I think the point just made by the hon. member for Edmonton Centre is well taken, and because of it the Chair will allow an extension of time to the hon. member who has the floor. In the meantime, I think the hon. member for Brome-Missisquoi should be allowed to make his remarks. He has the floor. Other hon. members will be able to respond to him afterwards, if they wish to do so.

An hon. Member: They might learn something.

An hon. Member: They will never learn.

Mr. Grafftey: It has always been thus. The poor are very often the least capable of being good lobbyists, so what happens? When there are obvious cuts to be made in the billions of dollars worth of government expenditure, they get it in the neck every time. The low income people who were meant to be served by decent medical and health care services are the ones who suffer.

[Mr. Paproski.]

It is passing strange to me, Mr. Speaker, that a government that has seen expenditures go from $10 billion to $36 billion a year, with the economy on its knees, does not even generate enough growth in the private sector to get new programs going, let alone sustain one passed by the Pearson administration. They look around for things to cut and they cut medicare, the delivery of medical and health care service to people at the grass roots level. That is a wonder to me. Instead of listening to the voice of the people on the floor of the House, where is the minister? He is with the bureaucrats in an ivory tower. A cut here and a cut there: they do not listen to the silent poor and the grass roots people because they are poorer lobbyists. They say, "We are going to cut medicare." That is wonderful!

At a time in Canadian history when we should be talking about leading the world in the delivery of medical and health care services, what are these fellows doing? They are cutting back on services. Just ask anybody in the medical and health care world. After eight years of Trudeau administration, medical and health care services have slipped slowly but surely from excellence to mediocrity and if we go any longer with this administration they are going to be very poor. Ask anyone. Are hon. members opposite so blindly partisan that they do not listen? The paramedical workers and the medical health care service people can tell you things have slipped from excellence to mediocrity. Now we are faced with a cut in services.

I repeat, Mr. Speaker, the economy has been so mismanaged by this government that there has not been enough room in the private sector not only to inaugurate new and imaginative programs but to sustain existing ones. It is worth repeating that government expenditures rose from $10 billion to $36 billion annually. How did the government devise the formula for controlling costs? It has never explained this to the House or to the provinces. Apparently it pulled the formula out of thin air. It is an arbitrary formula, so complicated that no backbencher or minister understands it. How can the provinces understand this mishmash of nonsense, this so-called formula for controlling medical care expenses? The government is obligated to explain to the provinces, before confronting them with a *fait accompli*, how it evolved its cost-sharing formulas. After all, it was done without consultation.

• (1630)

Consider the history of medicare. Nobody likes saying, "I told you so." I do not. Most of us want to see good programs working. Hon. members who were here during the 1960s when medicare was brought in do not like saying, "I told you so." In those days the government's position was that you were either for medicare or against it. It would not accept amendments hon. members on my side suggested. When we suggested amendments which would have made medicare work better, we were accused of being against the program.

Those on my side of the House who were in touch with the grass roots knew that the people of the country were in accord with the principle of medicare. The Liberals adopt a "holier than thou" attitude as if they only are favoured in the sight of God. They think that only they supported the principle of medicare. They are wrong. We, too, sincerely believed in the principle of medicare. Because we suggested amendments to the original bill which would take into

account the history, priorities and politics of different provinces, we were accused of being against medicare. Now the chickens have come home to roost.

Although we supported the principle of universal medicare, we recognized the different needs of the provinces. We took into account the needs of Saskatchewan which had begun a medicare program of its own. Manitoba had begun a group program. The needs of Ontario, Quebec and the Atlantic provinces were different. We knew this. But did the federal authority consult the provinces? No. It said to the provinces, "If you don't like it, lump it." Ten years later it says to the provinces, "Now we shall control costs our way, and that is that." That is not my idea of federalism. Does the hon. member who preceded me support that kind of federalism?

How is medicare in Canada working? Let me draw an analogy. Let us suppose that the people of a town are starving and have not enough money with which to buy bread. The town council, in its wisdom, votes money with which the people can buy bread. Unfortunately, the town council has not telephoned the bakery to discover if the bakery can supply the bread. The upshot is that although it voted the starving town dwellers money with which to buy bread, they starve simply because the council did not make sure that the bakery had bread to sell.

That illustrates what has happened to medicare. Like so many joint federal-provincial programs, it is neither fish, fowl nor fair weather. Medicare is merely a means for paying for non-existent services. Medical service is not available in many rural communities, towns and villages. Sometimes it is not accessible to people living in the inner part of cities. The program was designed to help these very people, and it failed. The government provided money for a service which is just not there. I know my analogy is not complete, but it will do. Until the government takes account of the priorities of the provinces and their ability to provide humane, decent medical service, until it consults with the provinces to make sure that medical personnel and facilities are available, medicare for many will be a cruel hoax.

The government did not consult the provinces to discover if there were facilities and personnel for implementing medicare. Medicare has become a means for transferring money and paying for non-existent services. In the 1950s people in public life thought that if your heart was in the right place and you threw enough money at a problem, it would correct itself overnight. That attitude will not work in the 1970s and 1980s. The government must listen to the provinces and work with them.

In many ways, our medicare program combines the worst features of private enterprise and socialism. Because you throw taxpayers' dollars at a problem does not mean it will go away. The government set up a joint program it called medicare. It is a program involving transfer payments and in many ways is typical of some of the worst joint programs forced on the provinces since the Second World War. Why, Mr. Speaker? The government did not consult the provinces. It set no limits, did no real planning. If it planned with the provinces, why are we in the present mess? The government wants to make the provinces responsible for the program. Why should the provinces be responsible when initially the government would not listen to the provinces, paid no heed to their priorities and imposed, unilaterally, this inflexible program?

Now, ten years later, it comes to the House and says, "We broke the bank." What nonsense! Anyone who suggests that we can discuss medicare without discussing at the same time hospital insurance is talking nonsense. That is pure bunkum. If that is their attitude, small wonder our medical care programs are in disarray. You cannot approach medicare as if it were in a vacuum. You must consider the total package of medical care services.

What is happening in Canada? I hope I am being nonpartisan. At the very time we ought to consider how to maintain and improve one of the best health care services in the world, we are cutting medical research. Talk to health researchers in this country. They do not know what to do. Many of the world's leading research programs have been scrapped. Needed services are being scrapped. Why? The government turns a deaf ear to requests for consultation with provinces in this area as well.

The Minister of National Health and Welfare (Mr. Lalonde) can meet with his officials to the end of time trying to devise formulas to control costs. However, until the plant and personnel are made ready, we will really be whistling in the dark. I remember speaking to the then minister of national health and welfare when we were initially passing medicare. As the debate went on I asked to what extent, in the provinces and municipalities, the plant and personnel were ready. She said, "Not really at all, but if we wait for it to be ready, we will wait forever." I, and most other people, agreed that we could not hold back this universal program called medicare until the plant and personnel were ready. However, that is not an excuse to have done relatively nothing with the provinces in the past ten years in terms of planning and building up plant and personnel.

● (1640)

What do we in Canada have compared to other countries in the western world? In the province of Quebec we have the Castonguay report. It is probably one of the best reports in the world vis-à-vis the delivery of medical and health care services. I often wonder if the minister has read it. What about the 1970 Ontario royal commission report on the healing arts? Like the Castonguay report, it is one of the greatest documents of all time on the delivery of medical and health care services. What about our governmental experience in Saskatchewan years and years ago in terms of initiating a public health measure? We could learn from that. But does this government ever learn from anything? In the area of research and Dr. Wilder Penfield, 12 years ago we were recognized all over the world as being excellent. We have slipped worldwide from excellent to mediocre because of this government's insistence that it knows it all and that the people at the local level do not know anything.

If you read these reports, they are far flung. Has there been any real discussion with the provinces about ambulatory care networks, the proper training of paramedical workers? I am looking at the Ontario example of emergency services, community clinics and emphasis on preventive medicine, home care, general clinics and regional responsibilities that hospitals should take in terms of the health

care needs of a total community in the area of curative and preventive medicine.

A cursory reading of these reports shows, like any other business, how to save money, not spend money. The Minister of Labour (Mr. Munro), when he was minister of national health and welfare, reiterated the need for national standards vis-à-vis hospital regionalization where the community hospital would be the hub in the community in respect of total health care services and meeting the needs of the community. Has the minister read these things? Is he aware of them? Is the federal government going to continue to confront the provinces and pretend that their various needs and priorities are absolutely non-existent? Quite frankly, I have not made up my mind. I think that hospitals will no longer be able to be just expensive workshops for doctors. I do not think that right now we should put doctors on salary. But there is certainly one thing of which I am convinced: the fee for service principle is not working. Maybe that is the other extreme from salaries. Has there been any intelligent discussion in this House about the extreme of putting doctors on salary? No. Has it happened in committee? No. When we ask officials if they have discussed it, we are told no. Have they consulted the provinces about it? No. Every expert in the field realizes that somewhere between the extreme of fee for service and putting doctors on salary we must work out a viable formula or we will break the bank. Has there been a discussion on that? No. The federal government blocks its ears and is unilaterally confronting the provinces with a cost formula, and goodness knows where they got it.

All I say to the minister is, "Do your homework. Sit down with the provinces. Consult them vis-à-vis hospital regionalization, ambulatory care, the training of paramedical workers, emergency services, community clinics, emphasis on preventive medicine, home care and other clinics." Only when these matters are discussed intelligently—not separating medicare from the hospital services act as members opposite would have us do—then, and only then, will we be taking one of the few initial steps of bringing costs under control.

In the doctorless villages of our rural areas and inner cities we still have money being voted into people's pockets for services that are plainly not there. Low income people in our inner cities, as doctors gravitate to the hospitals, are left with no doctors and no paramedical people to take up the slack, because we have not trained them. They have no ability. It is all very well for those in the ivory towers, who are healed, to say they should have the ability; but the fact is they do not. They often cannot get to hospitals. There are no doctors, there is no ability, no community clinics, no paramedical people. These things are in reports that have been before the government for 20 years. How long do we have to wait?

The best this government can do, after seeing expenditures go from $10 billion to $36 billion, is to confront the provinces with a cost cut. Surely the backbenchers on the government side can make the minister listen. Just because I do not happen to be a member of that party, do not think that I take any delight over this. Let us wake up and get going. I think it creates a lot of cynicism in the body politic, after seeing expenditures go up from $10 billion to $36 billion in eight years, that the first thing you cut is a centrifugal, pioneer social program before you get at the real cuts.

In conclusion, medical and health care services constitute one of the many challenges which are not being met by federalism as now practised in Canada. Like the challenge of the environment, transportation, living space in our cities, education and the rest, medical and health care services are the very viability of Canadian federalism, something that was alluded to by the hon. member who preceded me. Medicare schemes, as I said before, continue to be merely a finance mechanism. The complete breakdown of service will come about sooner than we care to think. If doctors and medical men will not go into underserviced areas, surely a decent and humane state has an obligation to ensure that medical personnel are equitably distributed.

Public costs mean that public resources should be used to influence the operation of systems that are essential for the health needs of all the people. Costs will continue to skyrocket if government, working with the public and medical profession, does not assume its responsibilities in determining, as I said before, that the plant, personnel and services are made ready. If they are not, I ask this House what the money was voted for in the first place.

Ottawa must give strong central direction and co-ordination to these programs. However, the delivery of modern medical and health care services means a high degree of decentralization, which in turn means responsiveness to local and community needs. Ottawa does not have all the answers. More often, the people in communities know what is best for them and how best to govern their affairs. At the same time, the central authority must assure that local action is carried out in co-operation with other regions, especially when we contemplate hospital regionalization.

● (1650)

To date, Ottawa has not taken into account, especially with the provinces, the principle of local self-agency, forcing the provinces to participate in medicare schemes which in principle are good. Federal authorities are doing next to nothing to permit the provinces, and in turn local government, to have realistic taxing powers to enable them to play their part in any progressive medicare program. The same could be said of the joint hospitalization program. By refusing to help the provinces make the plans, resources and personnel for these programs, Ottawa must share much of the blame for the current nightmare both in the distribution of services and of skyrocketing costs.

If we are serious about providing a better and more equitable distribution of services, especially in the doctorless villages of rural and inner-core urban areas I have already mentioned, immediate action is necessary. More regional clinics will have to be built, together with smaller clinics in local communities. Family health workers will have to be trained to work with doctors and local people. For all paramedical workers a uniform standard of subsidization for training should be implemented, together with a proper quality control supervisory system. This means the successful application of incentives in career planning. Medical schools and hospitals with community and regional responsibilities should have the task of creating a sys-

tematic scheme for recruiting, training and deploying paramedical workers.

Sound management and business techniques must be applied to hospitals. These include staff organization and effective communications, meaningful financial reporting, regional planning, effective utilization of manpower and computer technology. If the federal government would only consult with the provinces, it could play a leading part, a pioneer role in effecting a reduction of these problems. Objective criteria must be set up to govern admissions, investigative treatment, length of stay, and discharge. Doctors must realize the financial repercussions of their activities. No longer can we allow hospitals to become doctors' workshops.

Incentives to improve care, reduce costs and increase efficiency must be introduced into the hospital sector in co-operation with the provinces. Administrators, not doctors, must run our hospitals. Trustees and governors should be responsible for over-all policy, and doctors must concentrate upon the practice of medicine. In order to have good hospital administrators, we must provide incentives. In future, regional hospital planning must receive more emphasis as hospitals assume more responsibility toward the particular communities in which they are to be found. A greater number of hospitals must share high-cost facilities.

Hospital admissions will be reduced only when we give due priority to expenditures on preventive medicine, health care clinics, general ambulatory care centres, home care programs, regional community clinics, nursing and convalescent homes and other facilities which could treat and care for patients who now find themselves admitted to general community hospitals. To this extent we cannot discuss medicare in a vacuum apart from hospital insurance, although separate programs, are involved. In the area of discipline and control in relation to hospitals, Ottawa must assume responsibility for adequate staffing, financing and accreditation programs. Peer review and medical auditing must be made meaningful, while medical record procedures are updated through the help of computer technology. Doctors can no longer control their own disciplining and medical associations must become public bodies governed in the interests of the public.

In closing, I should like to ask, in relation to the roles of Ottawa and the provinces vis-à-vis medical and health care services: Where do we go from here? I hope the present debate is the last of its kind, when all we hear from the government is its intention to cut costs in accordance with some incomprehensible formula. I hope the next time we take part in such a discussion we can engage in a substantive debate about the humane and decent delivery of health care services to people at the grass roots level in terms of the planification of plant and personnel.

Lack of public concern and interest is largely responsible for the present mess. An integral part in any advance depends on enlightened public interest and action. As the shroud of mystery is lifted from medical services and activities, questions must be asked and performance demanded by the federal government which transfers so many of the dollars which those services cost. In many ways this is already happening as a result of the information explosion which is taking place in our post-industrial society. Electric communications in general, and television in particular, have brought out and exposed so many problems to public scrutiny. The danger lies in the fact that everything we see, hear or read about seems to constitute a crisis, until we become virtually crisis-immune and can no longer distinguish between bona fide and imaginary problems.

The Acting Speaker (Mr. McCleave): Order. I understand from the ruling made earlier this afternoon—I did not happen to be in the House—that the hon. member was to be accorded a few extra minutes. His time has now been extended, however, and he can only finish his speech if there is unanimous consent.

Mr. Grafftey: I am on my last paragraph.

The Acting Speaker (Mr. McCleave): Is it agreed that the hon. member may continue?

Some hon. Members: Agreed.

Mr. Grafftey: It seems as if all at once every problem ever known to man has simultaneously been dumped in our laps for immediate solution. We have confused our priorities. We have devoted a great deal of effort to the production of material things, and little to the care of people who produce them. As a critic of medical and health care services in Canada, I say our health care services are, compared with what they might be, in appalling disarray. We have been faced with a multitude of real problems. We have thrown up our hands in despair or, at least, the government has done so. Our society suffers from deep social wounds, yet our approach has been only to apply band-aids. On the evidence of the debate up to now, we are only tinkering with the parts of a non-system when it comes to the delivery of health care services—and that is worse than doing nothing. We need major surgery.

Mr. McRae: Would the hon. member permit a question if the House will indulge him for a minute or so longer?

The Acting Speaker (Mr. McCleave): That could be done only by consent of the House. Does the House agree?

Some hon. Members: Agreed.

Mr. McRae: The hon. member made a statement that the government was putting money in people's pockets for services that are not there. Since those engaged in the medical profession are by far the largest recipients of those sums of money, is the hon. member suggesting that members of the medical profession are ripping-off the public by putting money into their pockets when they are not providing the services?

Mr. Grafftey: Technically, the hon. member is right, but the analogy I was using—

An hon. Member: Yes or no.

Mr. Grafftey: It is not a matter of yes or no. The government likes simplistic answers, but it is not as simple as that. In effect, medicare is a financing machine which pays the bills whether the money goes to the individual citizen or to the doctor directly. I am not saying the doctors are

ripping-off the system, but I am saying that medicare in Canada today is largely a financing mechanism, a means by which, indirectly at least, the government pays large sums of money into taxpayers' pockets to pay for services. It does not actually pay the money into the taxpayers' pockets, but it pays the bills to the doctor.

Mr. F. A. Philbrook (Halton): Mr. Speaker, thank you for the privilege of speaking a second time on Bill C-68 after helping to open the debate in late January. I promise one thing; I shall not try to copy the act of the last speaker. In my speech in January I covered many aspects of medicare, but there is one in particular I should like to continue to discuss today. I believe that cost efficiency in the program is necessary, that it is possible and that it can be achieved through voluntary means without lowering the level of national health care.

● (1700)

The Ottawa *Citizen* of March 16—yesterday—had this to say:

> Because medicare is a relatively new program, while hospital insurance dates back to the 1950s it is medicare that has been fingered for most of the blame in the dramatic escalation of health costs.
>
> But it is hospital insurance that is responsible for three-quarters of the $8 billion of health costs. Moreover, the hospital insurance bill went up by 25 per cent last year, compared to only 12 per cent for medicare.

This is undebatable and is a point that has been made many times in this debate. More importantly, the Ontario health minister, the Hon. Frank Miller, recently was told in the Ontario legislature that the greatest weakness in the OHIP system is the open-ended arrangement with the Ontario Medical Association. The MLA concerned further stated that there are no incentives in the system for doctors to cut down on unnecessary work. Well, Mr. Speaker, that may be true to some extent, but then Mr. Miller went on to say that methods to close the system are not as foolproof as they appear to be at first glance. He said that the province will try to evolve a closed system of payments for health insurance. I think that is good news for all of us. However, he said that we need to know more about what motivates people and what gives good service than we know now. Those are wise words and deserve to be heeded.

I should just like to digress for a moment in order to comment on one particular aspect of increased hospital costs, and that is nurses' pay. Recently, some hospital spokesmen in Ontario were quoted as saying that high wage settlements awarded to nurses were responsible—they did not say "partly responsible"; they said "responsible"—for the province's spiralling health bill. They said that grade 12 students with two years' community college training can command almost $13,000 a year as nurses, and that they are completely useless. They urged the Ontario government to stand up to the nurses on future wage talks even if it results in a strike. Brave men!

Was it not that very Ontario government that set up the new nursing courses in community colleges and that held nurses' pay down shamefully until recent years? I believe that no reasonable person would regret the increases in nurses' incomes which have been permitted recently, regardless of increasing hospital costs. Our nurses are among the best in the world and deserve every cent of what they are receiving.

[Mr. Grafftey.]

I should like to return to my main and previous theme of reducing health care costs through voluntary means by eliminating overservicing, partly through good health maintenance and, therefore, reduced patient demand for medical and hospital care. We may close hospitals and change the rules and facilities of the health care system, but to a large measure what we will always need is the full co-operation and understanding of both doctors and patients.

In regard to patient overdemand, I should like to quote from a small pamphlet, the Medical Review Committee Bulletin, published by the College of Physicians and Surgeons of Ontario which is a watchdog organization on Ontario doctors. In a recent issue it carried articles dealing with the physician's responsibility for claims, conflict of interest, billing during the physician's absence, and so on. This is a very responsible group that oversees medical care. The last article in this particular issue carries the heading "Patient demand for unnecessary medical services". This article reads as follows:

> The Medical Review Committee has become aware that some physicians are apparently having difficulty in coping with patient demand for excessive and unnecessary medical services. This concern does not address itself to the occasional visit which may be in retrospect unnecessary but rather to the repeated and troublesome demand on the part of some patients for the performance of unnecessary services by the physician.
>
> It is recognized that some physicians may cope with this problem by dismissing the patient from their care; however, some members have expressed a desire to have an opportunity to report the demands of these patients to the proper authority so that the adverse effect upon health care budgeting may be minimized. The Medical Review Committee would advise members of the profession that consultation at the most senior levels of the health insurance plan indicates that the office of the general manager would be most receptive to communication from physicians with respect to the excessive demands made by patients in such unusual cases and would be fully prepared to investigate and attempt to remedy such abuses by patients.

Certainly, a responsible response by doctors to what is often not a responsible approach by patients. I am not attacking the patient population, but they have their faults as much as anyone else and this should be recognized. As far as the doctors are concerned, we have already stated that very heavy demands are made on them and we have documented this. If our doctors are properly distributed and located, they do not need unnecessary work either for their own satisfaction or their personal income. But by the same token they do need to be well looked after.

Let me talk for a moment about the welfare of the doctors themselves. Recently the magazine *Canadian Doctor* published some interesting facts on the health and welfare of doctors themselves. Dr. M. O. Vincent, executive director of the Homewood sanitorium in Guelph, Ontario, has suggested that doctors should learn to say no to excessive demands on their time and energy. He said more and more Canadian doctors are being treated for mental breakdowns and the incidence is highest among "those who can't say no". He says that emotional ills in physicians often lead to alcoholism and even drug addiction and that these problems are more often observed among doctors than among most other college graduate occupational groups. It was noted that the suicide rate among physicians, especially psychiatrists, is unusually high. Charging that too many other doctors have unrealistic expectations of themselves,

he urged them to realize that their time and stamina are limited and to plan their lives accordingly.

The College of Physicians and Surgeons of Ontario has set up a new committee to determine whether physicians are fit enough mentally or physically to practice medicine. This new body could require any physician to submit to a physical or mental examination. Refusal to do so could result in suspension or loss of licence. It will be interesting to see the eventual results of this study. My own experience suggests that the doctor who remains healthiest and happiest may be the family physician in the rural area.

Just a few words, Mr. Speaker, about doctors' incomes. This seems to be one of the main concerns in discussing this medicare bill, along with some smaller administrative costs. What exactly has been the record of doctors' fees and net disposable incomes in recent years? The profession adhered voluntarily to the federal government's wage and guidelines in 1971 under the commission set up by Dr. John Young, and thereby demonstrated considerable economic responsibility right through 1975. During a five-year period in which inflation rose over 30 per cent, Ontario doctors received increases of 4.5 per cent in 1971, 7.75 per cent in 1974 and 4 per cent in 1975, a total of 16.25 per cent.

● (1710)

In real income gains before tax over the past 20 years, a recent survey shows that doctors gained only 38 per cent, the lowest of all 20 groups compared, and only half the Canadian average of 75 per cent. Their position in the group of 20 has even deteriorated in that time from fifteenth place to twentieth, or last. Over the past ten years they have actually lost purchasing power. Their incomes and, therefore, their percentage increases may be among the highest in the country, but that is our system, a hierarchy of incentives and rewards and not a socialistic levelling. That is what has made our system energetic and effective, whereas graduated income tax and social programs also make it humane.

In spite of losing ground economically, the doctors are prepared to co-operate with the anti-inflation program as long as it is applied consistently and fairly; and that, of course, includes the medicare amendments. They would also like to feel their efforts are appreciated, which is probably just as important. In a letter to members of the Canadian Medical Association, dated January 14, 1976, the president, Dr. Lloyd D. Grisdale, stated:

> Lastly, as your president, I ask that you honour the commitment made by the C.M.A. to parliament, the government and the people of Canada on behalf of the medical profession. I ask that, for the trial period we promised, you honour the letter and the spirit of the anti-inflation legislation of which it forms a major part. The control of inflation is essential. We have a responsibility, as a responsible profession and citizens, to support the decisions and efforts of our duly elected representatives to that end.

The Ottawa *Citizen* of yesterday wrote:

> Before the income controls were introduced, doctors in Ontario and Alberta were calling for 35 per cent hikes in their medicare fee schedules. Faced with the $2,400 annual limit on income gains, they settled for eight and nine per cent respectively.

The problems of the health care system, like all our current problems, need to be worked out, not by confrontation but by consultation between the federal and provincial governments and the health professionals involved. Hopefully, the climate for that constructive approach is developing. Before I close, I should just like to return to one aspect of this subject of health care costs that I touched upon the last time. I want to make a few more comments on the area of the relationship between the increasing cost and the migration of medical doctors to Canada.

Already one-third of Canada's 32,000 doctors are foreign-trained. Perhaps at one time they were needed more than they are now. The professional migration process also contributes to a medical brain-drain undesirable in other countries and they have let us know about this. Redistribution of our own doctors would help the situation, preferably on a voluntary basis. Many people think that the best incentives for doctors to return to the boondocks, as it were, would be higher income and better facilities, whereas it may be that most people these days prefer an urban lifestyle, not only the doctors but their wives and their children as well.

The Ottawa *Citizen* lead editorial of January 21, 1975, questioned restrictions on the migration of foreign doctors. It expressed doubts as to whether they can be kept in rural areas, but this may in fact not be impossible. It also poked fun at Frank Miller's claim that each additional doctor costs a province $250,000 annually in terms of the health services he generates. However, this can actually happen even in an area where an extra doctor is not strictly needed, and I represent such an area. The potential for expansion of medical services is virtually limitless. Mr. Miller states that these restrictions could save Canada $500 million a year. I think that is very possible and believable. The key questions are: How many doctors do we need? How many can we afford? How can we maximize the opportunities for Canadians to participate? How can we make sure we have the right distribution of such professionals? How can we best look after the welfare of these valuable professional people?

In conclusion, in this sense the federal minister is proposing a series of amendments to Bill C-68, the medicare bill, which should begin to respond to some of the more serious concerns expressed, particularly those expressed by medical people themselves. These proposed amendments are as follows. The exact ceilings are to be set for two years only. Inflation and other factors are too difficult to predict beyond that time. Those ceilings exceed the present anti-inflation guidelines because other expenses may be involved besides payments to doctors. The federal government maintains the option of setting ceilings beyond this two-year period if such are necessary in light of the situation at that time. If the figures have not been stated, it is because they cannot realistically be stated. The method of arriving at these ceilings is subject to full consultation with the provinces.

Second, there will be provision for increases for new important classes of services. Obviously, whatever the cost, a new lifesaving method, for example, is a must and the provinces introducing it deserve to be rewarded accordingly. Third and last, there will be a three-year exemption from the ceiling for new insured services. This will allow a period for build-up and stabilization of initial costs. As I said before, these amendments are designed to help make

the bill more flexible and acceptable and I believe they deserve the support of all of us.

Mr. Guay (St. Boniface): Mr. Speaker, perhaps I may be allowed to speak on a point of order. I realize that you, the hon. member for Halifax-East Hants (Mr. McCleave), are in the chair and I believe there is no better way of bringing that to the attention of the House than by expressing that acknowledgement at this time.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Mr. Speaker, on the same point of order, let me say that I know it is not lost on members of the House that the hon. member for Halifax-East Hants (Mr. McCleave) served with great distinction during the twenty-ninth parliament as the Deputy Speaker of this House.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I know that all members appreciate the services the hon. member rendered us in that very important office.

Mr. Guay (St. Boniface): Those were some of the things I wanted to say, and probably I would have said a lot more. I know we all appreciate your being in the chair, sir.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I hope you will realize that the House wants you to rule that this is a valid point of order.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. McCleave): I hope that *Hansard* will record me as saying "Hear, hear" instead of "Oh, oh".

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, that was an acceptable point of order to be interrupted by, but I hope it is not my rising that causes you to leave the chair. In any event, I want to say a few words about the bill before us. This is the first time I have intervened while the medicare bill has been before the House. I do so now because of a number of comments made by hon. members on the other side I think they have been trying to leave the impression with the Canadian people that the cost-sharing formula is not going to be changed and that the provinces, in reality, will be receiving perhaps more money from the federal government than in the past. I suggest there is a bit of deception in that argument being perpetrated by some, though not all, Liberal members across the floor.

In the past there was a cost-sharing agreement under which the federal government paid 50 per cent of the cost of health care in this country. That type of formula will not be adhered to in the future. The type of legislation that is being pushed through the House by this closure or time allocation will limit the increased share of federal participation to 50 per cent plus 13 per cent of the additional costs in the next year. If the costs next year should increase by 14 per cent, 15 per cent or 16 per cent, it will not be a 50-50 cost-sharing arrangement between the provinces and the federal government.

[Mr. Philbrook.]

• (1720)

There is a strong likelihood that medical care costs and hospital costs in this country will go up by more than 13 per cent next year. If that is the case, the federal government's share of the total cost of health and medical care in this country will be under 50 per cent. I think that is a retrograde step; it is a step backward from the policy the government has been pursuing in this country for a number of years. I think that point should be made known to the Canadian people, because the government is misleading the House in attempting to say that it will uphold its obligation in the field of medical care. It is not.

It is for this reason that I think the debate before the House is very important. I want to say a few words about that, not just because I come from the province of Saskatchewan where, as you know, Mr. Speaker, CCF and NDP governments pioneered hospitalization and medical care under the premiership of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), and later under Woodrow Lloyd who succeeded him as premier. This program has since become the norm for medical care and hospitalization in Canada.

In those days there were many tough fights in respect of the principle of universality of medical care. Who was the opposition in those days? I remember well, during the medicare crisis, when the Liberal party, led by the late Ross Thatcher who later became premier, led a group of citizens in opposition to medical care in the province of Saskatchewan. They opposed it in the province with great vigour and determination. Today, after many years of convincing and persuading the federal government about the need for universal medical care where everyone, regardless of financial background, can have the same availability of medical care, we see the federal government taking a retrograde step in gradually backing out of medical care.

I think this party and this House should make sure that every Canadian citizen knows what is happening. This has broad ramifications, not only in respect of medical care but in respect of the way the party on the other side of the House looks at federalism, co-operation and the type of country it wants to create and which I suggest will be created by this type of legislation. The country will be much worse off than it is today.

If we have an increase this year and next year which exceeds the limitations imposed by the government, then the provinces will be faced with a couple of options. The wealthy provinces like Ontario can continue to provide services for their people because they have the financial base with which to do so. Many people in Alberta, Ontario, British Columbia, and perhaps a few other provinces, may not suffer much because of the legislation before the House today. I do not know whether they will or not. They may not, because those provinces have resources they can spend on health care and medicine. But as my colleague from Saskatchewan says, we will do our own thing in Saskatchewan despite the fact that we do not have the wealth and resources of the provinces of Ontario and British Columbia. We did it before.

I alluded to the fight we had with the doctors' committee in Saskatchewan. This was a fight against the first universal medical care plan in North America. The reactionary

Liberal party at that time led that fight and said time and time again that they would not rest until medical care was destroyed in the province of Saskatchewan and never came about in Canada. Now we see a retrograde step in this direction.

What will happen in respect of provinces which do not have the same resources as wealthy provinces such as Ontario? What will happen in Newfoundland, in poor little Prince Edward Island, in New Brunswick and in some of the other provinces which cannot afford to put much provincial money into the provision of health services on a par with provinces such as Ontario? These provinces will have to scale down the quality of medicine they provide to their citizens. They do not have any option. The quality of medicine will be scaled down. Its availability will be scaled down. The hospitals and facilities they have will not be expanded because they will not have the necessary funds.

Let us look at a third option which was looked at and adopted by a Liberal government of Saskatchewan. I refer to the imposition of a deterrent fee. That was imposed by the Liberal party in the province of Saskatchewan. That is one way to get more money to pay for medical care and hospitalization. I remember the deterrent fee very well. That was back in the days of the late premier Ross Thatcher in the province of Saskatchewan.

I remember those days well because that was the time I really became active in politics, in the mid-1960s, when I saw fees of $2 and $2.50 being imposed on people who visited a doctor. Who are the people involved? They are the people least able to afford to pay doctors' bills—the older people and those with large families. They are the people who cannot afford it. The Liberal party in the province of Saskatchewan brought in the deterrent fee, or the usury fee. I think that is a very regressive way in which to finance any plan, particularly a plan such as this which should be universally acceptable to everyone.

I believe medical care should be free to everyone. I do not mean simply the type of care we have today. I include pharmacare through which people who need drugs could get them at cost. I include denticare. Dental care should be provided to everyone regardless of income. I also refer to the provision of hearing aids and everything else people need for their physical well-being or care. That will not happen if this bill should pass.

If the federal government starts to scale down the amount of money it provides in respect of medical care and hospitalization, the provinces will not be able to extend or expand the services they want to provide to the citizens of this country. That is the reason we oppose this bill and will fight it as strongly as we can. It seems to me that whenever we oppose something on principle, the government says that we are being obstructionist, that we are carrying on a filibuster, or we are trying to obstruct the legislation. Then, as in this case, they bring in closure. If the government wants co-operation from the opposition, the last thing it should do is introduce closure or time allocation. The government should be open to amendments, because I think in this case, like in the case in which we have been involved in the last few days, it is the opposition parties that are sensitive to the feelings of the people.

I think the government opposite will not be there for many more months. I think the government is marking time. I think this is another example of a government that has had too much power for too long. It is too arrogant. Can you tell me, Mr. Speaker, of any province which agrees with the type of proposal being brought down by the Minister of National Health and Welfare (Mr. Lalonde)? We have NDP provinces, one Social Credit province, and Liberal and Conservative provinces. What about Premier Reagan of Nova Scotia; what does he think about the bill which is before us today?

● (1730)

What about Robert Bourassa in Quebec? Why is the federal government interested in curtailing health costs, and why is the hon. member for Fort William (Mr. McRae) asking where we should cut? If the government is interested in cutting, why does it not talk to the provinces and work something out on a bilateral basis? Why is the federal government, instead, bringing in a bill in a unilateral and authoritarian way? That is not the way to govern this country. That is going back.

This Prime Minister (Mr. Trudeau) has talked like a university professor conducting a philosophical class about how we should govern, what kind of country we should have and what kind of federal union we should have. I do not mind making the charge that I think this Prime Minister has done more to provoke disunity in this country than any other prime minister in the history of Canada. I suggest there is more disunity now than there ever has been in this country.

Recently I spent a few days in the province of Quebec. I was surprised that almost all the people I spoke to criticized the federal Prime Minister for the attitude he took toward the Prime Minister of Quebec. I found this criticism also in the journals I read, and I heard it in the commentaries. It is this type of heavy-handed attitude which this government has taken for far too long on almost every issue before us to which I object.

An hon. Member: Read *Le Jour*.

Mr. Nystrom: I have read more than just *Le Jour*. I have read *La Presse*, *Le Devoir* and other newspapers in the province of Quebec. I have heard commentators en français and in English in the province of Quebec, and I sense in that province a deep frustration over the heavy-handed way this government is implementing its programs across this country. The same is true in western Canada. We resent the heavy-handed way this government is conducting its affairs. I think the medical care bill is one of them. This is supposed to be a federal state. It is not supposed to be a unitary state. It is not supposed to be a state where there is one central government deciding what legislation there will be, introducing it in the House and ignoring the various parts of the country. We have a sharing of powers in this country. We have a federal state where the federal government should sit down, talk to the provinces and negotiate with them. If that is not done, there will be more and more problems and unrest in Canada. This government is provoking disunity and many troubles which are yet to come.

Mr. Benjamin: You should see premiers on Sundays instead of judges.

Mr. Nystrom: In a few brief words, those are the concerns I have about the bill before us today. I believe it is a retrograde step. It is a bill which will prevent expanding our health and medical services in this country. It is a bill about which there was no consultation with the provinces. It is a bill which will be bad and which will be remembered as such when this government is defeated in 1978 or whenever an election is called.

Mr. Mike Landers (Saint John-Lancaster): Mr. Speaker, I do not know very much about medicine, but a number of letters have been written to me out of which I have picked three. The only reason I am going to make the contents of these letters public is so the Minister of National Health and Welfare (Mr. Lalonde) will have an opportunity at the committee stage to respond in public to the concerns of these constituents. These letters are not necessarily complimentary of the government, although I have received many which are. The first letter begins "Dear Mike," which has a nice touch to it.

Some hon. Members: Hear, hear!

Mr. Landers: The letter reads as follows:

I am writing as a member of the board of the Atlantic Research Centre for Mental Retardation to express my concern about the current financial squeeze on medical research in this country, particularly as it relates to the Atlantic Research Centre for mental retardation, Halifax, N.S. The centre serves the Atlantic provinces and is the only research body in mental retardation in this region.

The potential that research has for decreasing the incidents of mental retardation speaks clearly for itself. The investment in human terms and in dollars and cents vis-à-vis custodial, residential, development and vocational services reinforces the good, common sense approach to research in this field.

May I strongly urge your positive consideration respecting government grants for research activities. I feel research programs, such as those carried on by the ARCMR, are imperative and must continue because of the potential for benefit to us all.

I appreciate your consideration of the above.

Sincerely,

Gordon Foster.

The address stated is Hampton, New Brunswick. I might point out that Gordon Foster was a defeated Liberal candidate in the last provincial election in the province of New Brunswick. I know this letter does not relate directly to the bill before the House; however, I would like the minister to have an opportunity to respond to it at the committee stage. The next letter says "Dear Mr. Landers"—a little more respectful than the first, but less friendly. The letter reads:

I am writing to protest in the strongest possible terms the government's recent so called "freeze" of the budget of the Medical Research Council. As all members of the government must know, the purported freeze is, in fact, a reduction in federal expenditure for medical research, since there is not so much as an additional allotment to allow for inflation.

Canada's expenditure per capita for medical research, when compared with that of other western nations, is disgracefully low.

I am just quoting from the letter. I do not know whether the facts are correct. The letter goes on:

One is forced to the conclusion that, because medical research has never been an issue of political significance to voters, it has been considered expendable.

I am sure that every Canadian medical scientist is prepared to do his or her utmost to co-operate in fighting inflation—but only if scientists receive treatment comparable to labour unions. I therefore urge that the government reconsider its regrettable action in this matter.

The letter is signed by Dr. E. Paras, MD, FRCP(C), Saint John, New Brunswick. The third letter is similar in content to the second letter I read, and I will not go into the details of it. I should just like to point out these two letters to the minister. I will send him copies of each. I ask him to respond in public, at the committee stage, to the concerns raised by these people, one a constituent and one not a constituent. I should also like to point out that it is difficult to please everyone when the government is cutting back. I was only concerned about these two letters. I intend to vote for the bill, but I wish to bring these letters to the attention of the minister.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I was not going to participate in this debate but I changed my mind because of some of the things said by those who have spoken. I am sure hon. members will recognize what I have to say for its usual impartiality and not partisanship. What has struck me about this debate has been the absence of any reference to the 40 per cent of Canada which lies north of the sixtieth parallel. All I heard from the last speaker from the New Democratic party, behind whom sits the hon. member for the Northwest Territories (Mr. Firth), was all sorts of problems which are provincial in nature, forgetting completely about the two northern territories. That is all I have heard from the other side as well.

Some hon. Members: Shame!

Mr. Nielsen: Yet foisted upon us in the Yukon and the Northwest Territories, without notification, to say nothing of the complete absence of any consultation, is the legislation we are discussing today. The hon. member for Northwest Territories, since he has been here, and I since I have been here—which is somewhat longer—have been trying to convince the government to include the two northern territories in these discussions. I am very sorry that the minister, who has sat patiently throughout this debate, is not here at the moment to hear this. We have been trying, without success, to convince the government that it is essential to include the two northern territories in these federal-provincial discussions when it concerns money out of the pockets of Canadians who live above the sixtieth parallel. We tried to convince the government that it is fitting and proper to have representatives from the two legislative assemblies in the two territories attend federal-provincial discussions on matters such as this. This is not an isolated case.

● (1740)

Mr. Speaker, I am glad to see the minister is now back in his seat to hear this. Since he has assumed his portfolio I have asked if he is going to include representation from the northern territories in these discussions, but unfortunately I have had no success. The minister frowns. I know he is going to say that they had representatives at these meetings. That is true. They have attended the meetings, but with the status of what the government is pleased to call "observer". They invite elected representatives of the two legislative bodies in the north to come down and listen, but not to have anything to say about what goes into

the cost-sharing arrangements between the federal government and the two territorial governments.

Mr. Lalonde: That is part of the federal delegation.

Mr. Nielsen: The federal delegation that is there does not have input in the sense that the first ministers of the provinces have a real, substantive voice in what goes into the legislation and the arrangements that are made. It seems to me, and I am quite sure the hon. member for the Northwest Territories will agree with me, that it would not hurt the federal government's position if they were to invite the elected representatives of the Yukon and the Northwest Territories to have some meaningful input into the design of the cost-sharing arrangement.

After all, we are being asked to pay on the same basis as the residents of the provinces in respect of cost participation in schemes such as this. Whereas the provincial people have a voice through their elected legislatures, we in the north have none. I urge upon the minister an alteration of the policy of merely having observer status at this conference. We have come some small way along the road of progress toward portfolio responsibility in the Yukon territory. At the last federal-provincial conference which dealt with this subject, a member of the legislative assembly in the Yukon, Mrs. Whyard, attended but she could not say anything. She came back to the Yukon and told us it was useless to go to conferences in Ottawa if we were not allowed to say anything. I leave that recommendation with the minister. As he is a sincere gentleman, I know he will give favourable consideration to these representations and see to it that next time our people will at least be allowed to open their mouths.

Mr. Speaker, I now want to speak about something more germane to the proceedings that went on here yesterday and this morning and, indeed, have been proceeding for some weeks. By coincidence, what I have to say with respect to pressure being brought to bear improperly by ministers and government in the affairs of the administration of justice has direct relevance to what we are debating here. Not only were we not permitted to participate in discussions when medicare was first imposed upon us in the Yukon territory, but the whole weight of government was brought to bear in order to ensure that the people of the Yukon territory would abide by the law imposed upon us.

What pressures were brought to bear? Doctors in the Yukon are complaining that because they are not registered under the medicare scheme, they are not being paid. To what lengths did the government go in order to enforce their legislation? The Minister of National Health and Welfare (Mr. Lalonde) will clearly recall the case of Dr. Wigby who was the only doctor in a small community in the Yukon called Watson Lake. Because he did not personally register under the medicare scheme, he was charged, convicted and thrown in jail. He was the only doctor in the community—the nurse had gone on some kind of sitdown strike—so the community was completely without medical attention. They were not satisfied with throwing the doctor in jail once; they have done it twice. All because he did not register personally with medicare. He complied with the legislation with respect to his responsibilities in all ways except that he did not personally register under this scheme.

The government adapts the attitude that as long as they have a hold-out like Dr. Wigby, they are going to put him in jail. He spent two terms of two weeks each in jail because he is not registered. I dare say that if he continues to be stubborn the government will throw him in jail again.

This is one example of the kind of pressure that is exerted, Mr. Speaker. But it gets even more serious. They were not content, so they looked around for the prominent people in the community, wondering who they could charge next to make sure the laws were complied with. They found that the mayor of Whitehorse was not registered, so they charged him for failing to register under the medicare scheme. They would have thrown him in jail but—

Mr. Paproski: Was he a Liberal?

Mr. Nielsen: No, indeed he was not. The mayor of Whitehorse received some very sound legal advice, however, and he registered under the scheme.

An hon. Member: What did you charge him?

Mr. Nielsen: Who could be more prominent in our community than the mayor of Whitehorse? They looked around again and they chose a member of the Yukon legislative assembly. They were not satisfied with Dr. Wigby and the mayor, so the next victim on the list of the vindictive government was a member of the legislative assembly, Mr. McKinnon. They charged him, but fortunately he had some very sound legal advice and he registered and thus escaped the consequences of the charge. The government was not satisfied to leave it there. They looked around for even more prominent victims—and who did they find? None less than the present Speaker of the Yukon legislative assembly. They charged him with failing to register under the medicare scheme.

The whole story of these pressures is the effort to cow the people of the Yukon into complying with this heavy-handed federal government imposing this scheme—

An hon. Member: How many did you represent?

Mr. Nielsen: I did not represent this one; he was a Liberal. Hon. members laugh, Mr. Speaker, but he is no longer a Liberal.

Some hon. Members: Hear, hear!

Mr. Nielsen: Wherever he got his advice, he got it a little late because he was fined $500 for failing to register. Maybe it had something to do with that.

Mr. Lalonde: Mr. Speaker, it is always—

The Acting Speaker (Mr. Turner): Order, please. The hon. Minister of National Health and Welfare (Mr. Lalonde).

Mr. Lalonde: Mr. Speaker, it is always a pleasure to receive a visit from the hon. member for Yukon (Mr. Nielsen) in this House. I certainly hate to interrupt him

and appear to cut short his speech in any way, shape or form, but we have had complaints that this debate was being cut short and I can understand that other hon. members want to participate. This issue is one of great importance.

I would submit to you, however, Mr. Speaker, that we have a very broad interpretation of the rule of debate on second reading, but I fail to see, unless the hon. member comes to the point pretty soon, what this has to do with the bill which deals with capping medicare, and only that. I wonder if the hon. member for Yukon is in order. I ask this with great hesitation, as I should hate to see his intervention in the debate cut short.

● (1750)

The Acting Speaker (Mr. Turner): Order, please. I suggest that the hon. member confine his remarks to the subject matter of Bill C-68.

Mr. Nielsen: Mr. Speaker, if I may speak to the minister's point of order, I suggest that my colleague for Northwest Territories and I enjoy the distinction, if you look at it that way, of being unique in this House. Whereas other members of the House represent constituencies in provinces, and a provincial body may interpose itself between the federal government and the people of the province, the hon. member for Northwest Territories and I must deal directly with the federal government. Therefore, I am saying now those things which would be said if we were given a voice at federal-provincial conferences. But we are not given that voice and are not allowed to say these things. This House is the only forum in which we can present certain views.

Mr. Lalonde: Come to my estimates.

Mr. Nielsen: I enjoy attending when the minister's estimates are discussed, but that does not help elected representatives of the people of the Yukon in their deliberations in the legislative assembly. That process does not allow them to provide input to the minister's decisions. I submit that what I say is pertinent to the bill, to moneys being spent on medicare and the manner in which they are spent. Allow me to cite one more example. The government was not satisfied with leaving matters there. It looked for the most prominent person it could find in the Yukon in order to make an example of him in the enforcement of the medicare law. Who did it find?

Mr. Lalonde: The hon. member for Yukon.

Mr. Nielsen: That is right, the hon. member for Yukon, as the minister knows. So they charged him. Where could he go for good, sound advice? He was tried and convicted of failing to register for medicare. What did the hon. member for Yukon do? He obtained the best legal advice he could—from the then minister of justice who now is Minister of Transport (Mr. Lang). The then minister of justice said, "That is silly. Saskatchewan has a medicare scheme but I belong to the Ontario scheme. Why can you not belong to the scheme to which I belong?" The minister belonged to one scheme for 19 years. At that I appealed and the appeal court reversed the decision. That is an example of the government's heavy-handed methods, to use the phrase used by the NDP member who last spoke, in enforcing medicare in the Yukon.

An hon. Member: It's a good thing you didn't see a judge.

Mr. Nielsen: Now I shall pass to something more serious. I am enjoying the debate and do not wish to change the tone. Nevertheless, what I shall now raise has a direct bearing on matters being discussed in the House. One of the minister's employees in northern health services, Dr. Connolly, felt it was wrong of the city of Whitehorse to continue dumping raw sewage into the Yukon River from a sewage system designed, installed and paid for by the federal government and then handed to the city of Whitehorse. He laid a charge against the city of Whitehorse under a medical health ordinance in the Yukon. Dr. Connolly then was acting as medical health officer for the Yukon but was an employee of the minister's department.

He was telephoned by someone in the commissioner's office, the commissioner's office being under the jurisdiction of the Minister of Indian Affairs and Northern Development (Mr. Buchanan), and was told, "Withdraw that charge." Dr. Connolly, more credit to him, said, "No, sir, I will not withdraw the charge. An offence has been committed and it will be proceeded with." There was a series of telephone calls from the commissioner's office, culminating with this message, "Either you withdraw the charge or I will communicate with my minister, who will communicate with the Minister of National Health and Welfare, who will require you to withdraw the charge. If you do not comply, you will be fired."

According to my information, all communications were beneath ministerial level: the ministers personally were not involved; the officials were. As it happened, there was a telephone communication from the commissioner's office to the office of the Minister of Indian Affairs and Northern Development, hence to the office of the Minister of National Health and Welfare. It went back down to regional office in Edmonton and back up to Dr. Connolly in Whitehorse. He was told, "You will either withdraw the charge and say publicly that the matter is proceeding satisfactorily and that is why you are withdrawing the charge, or you will be fired." The minister shakes his head, but he does not know this because he was not there personally.

An hon. Member: Were you there?

Mr. Nielsen: Hon. members will agree, surely, that that is unacceptable pressure. I was told this by Dr. Connolly. There is no better source. Section 127 (2) of the Criminal Code provides:

> Every one who wilfully attempts in any manner other than a manner described in subsection (1) to obstruct, pervert or defeat the course of justice is guilty of an indictable offence and is liable to imprisonment for ten years.

An hon. Member: Was he fired?

Mr. Nielsen: I agree that if pressure had been brought to bear on Dr. Connolly before the charge was laid, there would be no difficulty. But after the charge was laid and placed in the hands of the Crown attorney, pressure was brought to bear on Dr. Connolly. He was threatened with loss of his job if he did not withdraw. At that stage he

threw up his hands and said, "I will not press charges." By that time the matter was in the hands of the Crown attorney. I am not suggesting for a moment that the Department of Justice brought pressure to bear on the Crown attorney. Even if it did, I have such high regard for him that I know he would not succumb. Nonetheless, there was communication to determine if there was sufficient evidence. There was evidence and the charge proceeded. A fine of $100 was the result.

I maintain that the circumstances I have disclosed are serious enough to warrant investigation. It is not my job or the job of any other member to judge guilt or innocence. But it is the government's responsibility to investigate the matter to see if there is a prima facie case for a charge to be laid under section 127 of the Criminal Code. If it is deemed that there is sufficient evidence to support a prima facie case under section 127, the government should see to it that every official of government involved in bringing pressure to bear is charged under the section. Let the courts decide guilt or innocence.

Message from the Senate

I see that my time has almost expired. May I call it six o'clock?

ROUTINE PROCEEDINGS

[*English*]

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill C-71, an act to amend the Criminal Code and to make related amendments to the Crown Liability Act, the Immigration Act and the Parole Act, with amendments, to which the concurrence of this House is desired.

At 6.01 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 18, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ADMINISTRATION OF JUSTICE

REQUEST FOR JUDICIAL INQUIRY INTO ALLEGATIONS OF INTERFERENCE WITH THE JUDICIARY—MOTION UNDER S.O. 43

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, under the provisions of Standing Order 43 I ask leave to propose a motion on a matter of urgent and pressing necessity which is fully expressed in the motion and affects the foundations of public life in this country.

I would therefore move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That the committee of the privy council, by order, instruct the Chief Justice of Canada to appoint three justices from among the justices of the provincial superior courts, the Federal Court of Canada, and the Supreme Court of Canada, who shall be constituted by the committee of the privy council to be commissioners under Part I of the Inquiries Act to inquire fully into any allegations, made or to be made, about any improper inducements having been offered to or improper pressures having been brought to bear in respect of a civil or criminal judicial or quasi-judicial proceeding, instituted or likely to be instituted, to the disturbance of the peace, order and good government of Canada, and in particular but without limiting the generality of the foregoing into the incidents resulting in the letter dated March 10, 1976, of the honourable the Chief Justice of the Superior Court of Quebec, tabled in this House and printed as Appendix "B" to the official report of the House of Commons Debates of March 12, 1976, and any matter bearing upon or related to those incidents, and if the said commissioners consider that there is prima facie evidence of an offence in relation to any matter inquired into, to consider such other matters as may appear to the commissioners to be relevant and to report fully thereon.

Mr. Speaker: Order, please. Pursuant to the provisions of Standing Order 43 such motion would require unanimous consent of the House prior to presentation. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

PROPOSED INQUIRY INTO ALLEGED ANGLO-SAXON JUDICIAL ESTABLISHMENT—MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to introduce a motion dealing with an important matter of pressing necessity.

Considering that Mr. Justice Mackay made an unjustifiable indiscretion by giving his personal friend Special Attorney Richard Holden a copy of his correspondence with the Minister of Justice; considering that Richard Holden submitted this letter to the press with the agreement of Mr. Justice Mackay, with the intention—and I apologize for the expression but it is accurate—of "giving shit to the government", to quote the words of Mr. Holden as reported in *Maclean's*; considering the fact that Mr. Justice Hugessen, Mr. Justice Mackay and Special Attorney Holden are all part of the "Anglo-Saxon judicial establishment of Montreal", I move, seconded by the hon. member for Rimouski (Mr. Allard):

That this House appoint a royal commission to determine whether the "Anglo-Saxon judicial establishment of Montreal" did not conspire indeed to harass a French-Canadian minister who did not hesitate to attack the well-to-do and the trusts.

Mr. Speaker: Order, please. The House has heard the terms of the motion of the hon. member. Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

* * *

[*English*]

ENERGY

SUGGESTED CONSULTATION WITH INUIT AND INDIANS BEFORE AUTHORIZING DRILLING IN BEAUFORT SEA—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I rise on a matter of urgent and pressing necessity under Standing Order No. 43. My motion is prompted by the reports today that the question of allowing Canmar Ltd. to commence an offshore drilling program in the Beaufort Sea is being considered by the cabinet today. If true, this suggests that the government is prepared to go ahead with a maximum of haste and a minimum of consultation. Therefore I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That this House urges the cabinet to consult those Indian and Inuit Canadians who live in the vicinity of the Beaufort Sea before authorizing the proposed offshore drilling program in the Beaufort Sea planned for this summer.

Mr. Speaker: Order, please. Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

PROPOSED DELAY OF DECISION ON DRILLING IN BEAUFORT SEA PENDING PROPER ENVIRONMENTAL SAFEGUARDS—MOTION UNDER S.O. 43

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I, too, rise under the provisions of Standing Order 43 on a matter of extreme importance. It is somewhat similar to the motion just put. In view of the report today that cabinet is about to make its decision on drilling permits in the Beaufort Sea, and in view of the fact that United States authorities and officials in the Department of the Environment continue to express opposition, I move, seconded by the hon. member for New Westminster (Mr. Leggatt):

That this decision be delayed until proper environmental safeguards are established and adequate consultation with citizens of the north is accomplished.

Mr. Speaker: Such a motion pursuant to the provisions of Standing Order 43 would require the unanimous consent of the House before presentation. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ADMINISTRATION OF JUSTICE

JUDGE HUGESSEN'S ALLEGATION MR. DRURY REFERRED TO GANGING-UP ON PROMINENT FRENCH SPEAKING PERSONS—REQUEST FOR CLARIFICATION

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is to the Minister of Public Works. On Tuesday, at page 11825 of *Hansard*, the Minister of Public Works denied that he felt the contempt of court proceeding might involve a ganging up of the English-speaking establishment against French speaking ministers and he appeared to say that he knew of no instance, either in the press or elsewhere, when that possibility was raised. Does the minister deny the allegation, and I would like a specific answer to this, of Mr. Justice Hugessen that, and I quote:

The view which Mr. Drury felt was being expressed in some quarters in Ottawa that the proceedings against Mr. Ouellet were in some way a ganging-up of the English-speaking Establishment against prominently placed French speaking persons.

If the minister does deny the judge's statement, will he tell this House specifically what he did say to the judge?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I am not denying the allegation of the judge. I did say in the House the other day, and I am prepared to repeat it, that I am not aware of any press reports or other similar published reports of any such ganging up. I, myself, do not believe that there is or indeed, in any circumstances I can envisage, that there would be such a ganging up by the courts of Quebec against any particular section of the community. The reference which Mr. Justice Hugessen made in his letter to the Chief Justice was, I think, merely an expression, and what I was seeking was his confirmation of my belief, in a sense, in his belief; I was persuaded that Judge Hugessen would pay no account to such a rumour, nor did he believe in it, nor did I; I was merely seeking his personal assurance that my belief in his belief was correct.

[Mr. Speaker.]

• (1410)

Mr. Clark: We shall want to take a careful look at the record of that.

I should like to ask the Minister of Public Works, bearing in mind that Mr. Justice Hugessen used the phrase, when he referred to the suggestion about the ganging up, that that impression seemed to be held in "some quarters in Ottawa", whether he accepts the paraphrasing of his conversation with the judge to the effect that there was a reference to "some quarters in Ottawa", and if he does accept that, will he tell us exactly what he did say and to what quarters in Ottawa and to what people he referred in his conversation with the judge?

Mr. Drury: The phrase used by Mr. Justice Hugessen, "some quarters" was about as precise as I was. As I indicated to him, I was not aware of any newspaper stories to this effect; these were merely, as far as I was concerned, baseless rumours and when one is talking about baseless rumours it is difficult to be precise.

Mr. Clark: The full reference in Mr. Justice Hugessen's words was not just "some quarters", but "some quarters in Ottawa" and presumably the minister would be more in touch with those quarters in Ottawa than the judge would. Could the minister tell us from which quarters in Ottawa the rumour to which he referred in his conversation came to his attention? Who were the people who were the source of the rumour in Ottawa he discussed with the judge?

Mr. Drury: I did, I think, employ the term "baseless" in respect to my own concept of them and it is difficult to ascribe a precise source to baseless rumours.

Mr. Clark: Was the minister referring to information or rumours or facts he had heard circulated by any minister of the Crown or by any senior official of the government? Will the minister tell the House, now, who those people were?

Mr. Drury: I have said I thought they were baseless rumours. I cannot ascribe their source to any particular individual, or, indeed, to any class of individual. Secondly, I cannot answer in the precise way the hon. gentleman is seeking or give him the kind of answer that I think he wants; and I think it would be slanderous of me to try to ascribe the source to any particular group of people.

• (1420)

POSSIBILITY OF CONFRONTATION BETWEEN EXECUTIVE AND JUDICIARY—REQUEST OF MR. DRURY FOR CLARIFICATION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my supplementary question is for the Minister of Public Works. As reported at page 11825 of *Hansard* for Tuesday last, the minister accepted Mr. Justice Hugessen's impression that the Minister was attempting to head off a possible confrontation with the executive. I assume that there must have been some concrete reasons for those fears. Who

within or outside the cabinet suggested that this case could lead to a confrontation between the executive and judicial branches of government?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I should tell the hon. gentleman that there was a current contempt of court proceeding that was initiated on behalf of the judiciary against a member of the administration, and this appeared to me to have the appearance at least of a confrontation between these two branches of government.

Mr. Fraser: A final supplementary question for the minister, Mr. Speaker. Is the minister telling the House that the suggestion made by him to Mr. Justice Hugessen that there might be a confrontation was completely his suggestion without any discussion with or suggestions from anybody else, either in the cabinet or outside the cabinet?

Mr. Drury: No, Mr. Speaker, I am not suggesting that at all and it would be false to do so. I consulted a number of other people. As I said in the House, I accept full responsibility for this and I am not going to try to put the blame on the shoulders of somebody else.

ALLEGATION MR. OUELLET INTERFERED IN TRIAL OF SUGAR COMPANIES—REQUEST FOR TABLING OF LETTER

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Justice and it pertains to an allegation that seems to have been missed so far, if you can believe that, in the questions raised in connection with this matter. I refer to an allegation made by Judge Mackay that the hon. member for Papineau was interfering with the course of justice in the first trial involving the sugar companies. I should like to read a section of the letter sent to the Minister of Justice in order to clarify the point, and I would then ask him for his response. In the original letter to the Minister of Justice dated February 9, Justice Mackay has this to say:

> I might add that had your agent, Mr. Pateras, not been a friend and former partner of Mr. Ouellet, I would have appointed him and expected him to act in this matter and I have no doubt that his account would have been paid just as were his charges for writing Mr. Ouellet on my behalf during the course of the trial and warning him to refrain from interfering with the course of justice—

I should like to ask the minister whether he would take steps to table that letter from Justice Mackay to the hon. member for Papineau so we can see what allegation of interference is in the letter. Secondly, would the minister tell us what was his reply specifically to that point and what action he took?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I do not believe I have the letter. I have not seen it. I will determine whether Crown counsel in the case has the letter. Just to make it perfectly clear, I do not have a transcript of the trial in front of me so therefore I am paraphrasing the expressions used, but in the course of the trial the judge took exception to some words used in a speech by the then Minister of Consumer and Corporate Affairs. He asked Crown counsel in the case to write to the minister of Consumer and Corporate Affairs and bring this to his attention. That I understand was done, and that action satisfied the judge in the case at that time.

It was raised in the letter to me as an argument that because Crown counsel had acted in the instance the hon. leader raises, that this Crown counsel should also have acted in the contempt proceedings which followed the trial. Of course, my position was very clear, that once the trial was over the proper procedure for the judge in a contempt proceeding was, as outlined in the United Fishermen and Allied Workers' case, to ask the Attorney General of the province to appoint counsel as a friend of the court in the contempt proceedings.

Mr. Broadbent: Mr. Speaker, my understanding from the minister is clearly that he said he had not seen the letter that Judge Mackay refers to written by Mr. Pateras, which contains allegations of interference by Mr. Ouellet, so the minister is simply assuming that the allegations refer to a speech made outside the court. The minister is nodding to that. So that we may be perfectly clear as to the allegations in mind here, will the minister take steps to speak to the hon. member for Papineau to obtain a copy of that letter and table it so we can see clearly what Mr. Pateras had in mind in terms of what he regarded as interference?

Some hon. Members: No, no.

Mr. Basford: I do not want to accept the hypothesis upon which the question is based. The letter was written, as I understand it, and I was going on information and belief and not on conjecture, by Crown counsel in the case who was, of course, acting for me. I will ask him if he has a copy of that letter and see whether it is proper to table it.

ALLEGATIONS OF INTERFERENCE WITH JUDICIARY—SUGGESTION MR. DRURY RESUBMIT RESIGNATION

Mr. Edward Broadbent (Oshawa-Whitby): For my final supplementary question, Mr. Speaker, I should like to go back to the Minister of Public Works. I would ask him, since the former Minister of Consumer and Corporate Affairs submitted his resignation to the Prime Minister on totally specious grounds, yet it was accepted, will the minister reconsider his position, resubmit his resignation and urge the Prime Minister to accept it?

Some hon. Members: Oh, oh!

An hon. Member: Right on.

Mr. Speaker: Order, please. With due respect, that is a question that has been dealt with previously.

[*Translation*]

ALLEGED INTERVENTION OF JUDGE MACKAY INTO GOVERNMENT—POSSIBLE HARASSMENT OF FRENCH CANADIAN MINISTER

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like to direct a question to the Prime Minister.

Since it becomes increasingly obvious in the deadlock brought on by the "judges affair" that Mr. Justice Mackay interfered with administrative authorities, does the Prime Minister intend to establish a royal commission of inquiry to determine whether the Anglo-Saxon judicial establish-

ment of Montreal has not really conspired to harass a French-Canadian minister who did not hesitate to denounce trusts?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the premise of the question were founded, I assume the way to institute such an inquiry would be to refer the matter to the council of judges which is competent to look into the conduct of judges. I said "if the premise were founded," but the fact that this premise appears in a question asked here in this House seems to answer in part the question asked by the leader of the Progressive Conservatives in connection with the existence of rumours.

POSSIBILITY OF INQUIRY INTO JUDGE MACKAY'S ALLEGATIONS

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a supplementary question.

Could the Prime Minister tell us whether in his own view there would be grounds for an inquiry into the allegations of Judge Mackay?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as I wanted to indicate, the answer to that question cannot be given by the government. If there is an allegation of illegal or improper conduct against a judge, it does not rest with the government to make an investigation in the matter, but rather with the council of the magistrate, primarily with the chief justice of the court involved. The only proper way to answer that question would be to initiate impeachment procedures, that is accuse a judge at the bar of the House, and the government does not intend to proceed in such a way.

* * *

● (1430)

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF "TIMMY" FOR 1976

Mr. Speaker: Order, please. Before carrying on with the question period I know hon. members would want to join with me in calling attention to the presence in our galleries at this moment of a very important visitor, a Canadian but an important visitor to the House of Commons just the same, in the person of Kevin Collins from Orillia. He is not probably known under that identity but he is the "Timmy" for the Easter Seal Campaign for 1976.

Some hon. Members: Hear, hear!

* * *

ADMINISTRATION OF JUSTICE

PRIME MINISTER'S KNOWLEDGE OF CONTENT OF CONVERSATION BETWEEN MR. DRURY AND MR. OUELLET CONCERNING INTERVENTION WITH JUDGE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Prime Minister.

[Mr. Allard.]

In refusing the resignation of the Minister of Public Works, the Prime Minister said he sympathized with his good intentions. In reaching that conclusion I assume the Prime Minister went into some detail about the question of intent, and that involved the conversation with the former Minister of Consumer and Corporate Affairs. Before his decision on Friday afternoon regarding the Minister of Public Works, did the Prime Minister not closely question both ministers on that conversation and if so would he give the details with particular reference to the intent of the former Minister of Consumer and Corporate Affairs?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker; I did satisfy myself on that aspect of it. I think it is fair to say from Justice Hugessen's report to the Chief Justice that he also was satisfied that the intentions were good and honourable. On that basis I felt I was justified in accepting the intentions of the minister, as understood by me and by the Associate Chief Justice himself.

Mr. Alexander: Mr. Speaker, we have heard the Minister of Public Works on several occasions state that he accepts full responsibility. Of course, that begs the question because we do not know who had been told to approach the judge in the first instance. The Prime Minister indicated he had a conversation with both his ministers. Would he now advise the House whether he concluded it was the idea of the Minister of Public Works to approach the judge, the idea of the Minister of Consumer and Corporate Affairs to approach the judge, or was it a joint exercise in which the Minister of Public Works was to carry out the execution of the intent regarding approaching the judge?

Mr. Trudeau: Well, Mr. Speaker, apart from referring the hon. member to the record, the only thing I can add is that one minister said that he made a suggestion to the other. The other said he took the responsibility for phoning the judge—took it on his own. I do not know what the hon. member would want me to say beyond that, except perhaps I do not think the Minister of Public Works would have taken an order from any minister, particularly a junior minister, to do something he did not think was proper for hi n to do at that time.

Mr. Alexander: Mr. Speaker, I assume that this was a joint venture on the part of the Minister of Public Works and the former Minister of Consumer and Corporate Affairs in which the Minister of Public Works was to carry out the intent which was to approach the judge.

Mr. Trudeau: Well, Mr. Speaker, the member can describe it as a joint venture if he wishes.

* * *

[*Translation*]

FISHERIES

ALLEGED INTERFERENCE WITH SEAL HUNT—GOVERNMENT POSITION

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I would like to direct my question to the Minister of State (Fisheries), but in his absence I shall ask the Minister of the Environment and Minister of Fisheries or his parliamentary secretary.

Has the minister or his officials now any control over the members of the Greenpeace Foundation or other characters of the same kind who are at present engaged in illegal interference, this time on the ice of the Atlantic and the Gulf of St. Lawrence where the seal hunt is taking place?

Hon. Jean Marchand (Minister of the Environment and Minister of Fisheries): Mr. Speaker, I cannot speak on behalf of the Minister of Fisheries since he is the one who has dealt with this matter, and in a most particular way. I think he will be here within a few days. When he arrives in the House early next week, I shall ask him to answer the hon. member.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

DATE PRIME MINISTER KNEW THE CONTENT AND PURPOSE OF MR. DRURY'S CALL TO JUDGE HUGESSEN—POSSIBILITY CALL WAS INTIMIDATING

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I was rather interested in the answer given by the Prime Minister to the hon. member for Hamilton West. Yesterday, as recorded at page 11866 of *Hansard* the Prime Minister, referring to the time before Justice Deschênes' letter, said that he had the version of both the Minister of Public Works and the former Minister of Consumer and Corporate Affairs and, according to both versions, there had not only been no illegality; there had been no impropriety. Maybe the Prime Minister would clarify this without equivocation. Had he been told by either minister that the call was on the request of the former Minister of Consumer and Corporate Affairs and that it was intended to explore how the matter could be settled and to report the possibility of a confrontation, and if so, when was he told that? Was it before the Monday he refers to when he had them in or was it after the Monday?

Right Hon. P. E. Trudeau (Prime Minister): The first answer, Mr. Speaker, is no. The second answer is: not applicable.

Some hon. Members: Hear, hear!

Mr. Woolliams: Mr. Speaker, we continue to be stonewalled in respect of information. Maybe I could put this question to the Prime Minister. Mr. Speaker, I would have thought some of those members would want the Prime Minister to hear so that he could answer. It is up to them. Since the Associate Chief Justice got the impression that the minister was trying to head off a confrontation with the court, does the Prime Minister recognize that not only was the call itself inappropriate but the substance of the conversation with regard to the executive and its perception of the proceedings could have been influential and intimidating?

Mr. Trudeau: Mr. Speaker, the question seems hypothetical. Could it have been such? The answer is, I suppose it could but in the opinion of the judge it was not.

Mr. Woolliams: Well, let me put it this way, Mr. Speaker. From the version of both ministers does the Prime Minister now take it that it was influential and intimidating?

Mr. Trudeau: Well, Mr. Speaker, I really must repeat a little of what I said on Tuesday on the nature of the proceedings. This is not an instance where the Crown, in a criminal proceeding, is indicting or committing another person to answer for an offence. This is a case where the court itself finds it is aggrieved and as the aggrieved party charges another person with a criminal offence. In such cases the time honoured way of purging that offence, alleged or real, is to get an apology through the courts. What was attempted by the Minister of Public Works was to see if that apology could be forthcoming in a way which would purge the offence. There is nothing illegal in this. It was found improper and for that reason I do not condone the actions, but I wish the hon. member would get back to the origin of this. It is one individual against another, one party which feels aggrieved and the other party which either directly or indirectly wished to say: "I want to apologize; what kind of apology do you want"? Do not forget the origin of this before trying to—

Some hon. Members: Hear, hear!

* * *

● (1440)

[*Translation*]

HOUSING

REQUEST THAT SUBSIDIES BE INCREASED

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, I would like to direct a question to the Minister of State for Urban Affairs, to whom I have given notice of my question.

Following a telephone call on Tuesday with the vice-president of the Executive of the City of Montreal, I have learned that 50 per cent of the subsidies granted to non-profit-making corporations are contributed by the federal government, and 25 per cent by municipalities. It seems that the 25 per cent share contributed by Quebec would not presently be granted to those groups, since the agreements between the province and the federal government are not yet settled. Could the Minister tell the House when he intends to sign this agreement in order that those groups may get 100 per cent of those subsidies rather than 75 per cent?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I want to thank the hon. member for his notice because I can now clarify an answer to a question, I believe, posed last week or recently, which I misunderstood. In so far as the arrangement with Quebec and Montreal is concerned, this does not apply to non-profit housing. Non-profit housing rehabilitation subsidies are available regardless of locality as long as it is a non-profit operation, so that they need not be in those areas designated under the special arrangement that has been worked out for the city of Montreal.

While I am on my feet, I might mention also that the rehabilitation loan limits have been increased from $5,000

to $10,000 per unit, and the forgiveness of grant portion has been increased from $2,500 to $3,750.

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AUDITOR GENERAL

DATE OF INTRODUCTION OF LEGISLATION GOVERNING FUNCTIONS

Mr. Alan Martin (Scarborough West): Mr. Speaker, my question is for the President of the Treasury Board. Bearing in mind that roughly a year has passed since the issue of the report of the Independent Review Committee, will the minister indicate the extent of progress on a new act governing the functioning and responsibilities of the Auditor General, and when we may expect to see this new act brought before the House?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, we are through considering the report in Cabinet. We have made the decisions pursuant to this report, and the legislation is now being prepared by the Department of Justice; as soon as the legislation will be ready, we will be able to proceed, but I am afraid that it will take a few more months.

* * *

[*English*]

NATIONAL DEFENCE

SEARCH AND RESCUE OPERATIONS ON PACIFIC COAST—EQUIPMENT NEEDED FOR NIGHT OPERATIONS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of National Defence and it arises out of the serious loss of some five ships and two men in the present herring fishing season on the Pacific coast, some 14 men last year, and the Soper report shows that the Atlantic losses are equally disturbing. In view of the fact that most of the rescue operation, particularly at night, has been carried on through the generosity and co-operation of our neighbour to the south, how soon will it be possible to have equipment so that rescue operations can be carried on at night so that we will not have these sad losses of men and ships?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, of course we do have the equipment; we have three helicopters and three Buffalo aircraft stationed at Comox. We also have a Ministry of Transport helicopter further north and we have the support of our operational aircraft in the area. We have a reciprocal arrangement with the United States on both coasts. We tend to assist the U.S. more on the east coast; they assist us more on the west coast. I should point out also that Maritime rescue is the responsibility of the Department of Transport. The Department of National Defence does not have a Maritime rescue capability but we have a very effective air-search capability.

Mr. Douglas (Nanaimo-Cowichan-The Islands): While the minister says that we have some equipment, I am sure he is also aware of the fact that our equipment is not operational at night, and unfortunately storms do not confine themselves to daylight hours. Does the Department of National Defence intend to equip helicopters with night lights and with equipment so that sea-rescue operations can be carried out during the night hours, because if the minister will not do that, the equipment is simply for daylight operations and at present there is a good deal of resentment about the fact that we have to depend on the generosity of the Americans to look after men wrecked at sea?

Mr. Richardson: It is not correct that we only have a day time capability. Our equipment is capable of night search, but I admit it is not as effective as the equipment that is being used at present on the west coast by the Americans.

REQUEST FOR TWENTY-FOUR HOUR OPERATION OF SEARCH AND RESCUE CO-ORDINATING CENTRE, HALIFAX

Mr. James A. McGrath (St. John's East): I have a supplementary question for the Minister of National Defence. In view of the fact that his department has the co-ordinating responsibility for search and rescue and landings at sea and hence has a supervisory role over the Canadian coastguard, and in view of the seemingly ineffective capability of the co-ordinating centre in Halifax to respond promptly, may I ask the minister whether he is now considering, in light of the recent tragedies we have had in Newfoundland, deployment of search and rescue aircraft in Newfoundland and placing the search and rescue co-ordination centre in Halifax on a full 24 hour operational capability.

Hon. James Richardson (Minister of National Defence): I think that the answer to that was demonstrated in the last few days when the *Cape Freels* was lost due to a fire at one o'clock in the morning and all 27 personnel were saved by search and rescue carried out by the Canadian armed forces and Department of Transport personnel.

REQUEST FOR LIST OF BASES TO BE CLOSED—EFFECT OF BASE CLOSURES ON SEARCH AND RESCUE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is directed to the Minister of National Defence and is premised on the understanding that we now have a final report with respect to base consolidation and base closure. Could he indicate to the House how many bases are on that list, either with respect to closure or consolidation?

Hon. James Richardson (Minister of National Defence): No, Mr. Speaker, I will be taking the report to cabinet shortly.

Mr. Forrestall: I wonder if the minister could indicate, relative to the questions asked by two previous speakers this afternoon, whether or not the consolidation of closure of bases will affect in any way, in the sense of deteriorating or running down further, our capability for good search and rescue on both coasts?

Mr. Richardson: No, Mr. Speaker, we will be maintaining and in fact improving our search and rescue capability.

* * *

ADMINISTRATION OF JUSTICE

POSSIBILITY OF INTRODUCTION OF EMERGENCY MEASURES AND PROVISIONS COVERING OPERATION IN CANADA OF FOREIGN POLICE FORCES

Mr. Jack Horner (Crowfoot): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Horner: —I should like to direct a question to the Minister of Justice. In light of what may well be a difficult year for peace and security in some parts of Canada, would it be correct to assume that after the peace and security legislation passes this House the Minister of Justice will be putting before the House legislation dealing with the Emergency Powers Act or something along that line?

Hon. Ron Basford (Minister of Justice): I think this is probably one of those rare occasions when I can speak on behalf of the Leader of the Opposition and welcome the hon. member back.

An hon. Member: Cheap shot!

An hon. Member: Where have you been?

Mr. Basford: Mr. Speaker, I am delighted with the premise of the hon. member's question that the peace and security measures will be passed by the House and, I hope, get into committee as quickly as possible so that they could be dealt with in detail there.

With regard to the latter part of the hon. member's question, I think that the answers we have given in the past stand and that is that the matter is being considered.

Mr. Horner: Mr. Speaker, the answer of the minister that the answers in the past stand is not a very clarifying answer. Would it be logical to assume that, in anticipation of events to take place later this year, there will be an act with regard to foreign police services being allowed to operate in this country? Would that be logical or could the minister answer that?

● (1450)

Mr. Basford: Mr. Speaker, I would not want to speculate on that. As we have said in the past we are working on measures and have been for some time. I would not want to speculate on when they would be introduced nor would I want the hon. member to speculate.

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POST OFFICE

DELAY IN FINAL PAYMENT FOR THOSE WHOSE EMPLOYMENT TERMINATED—GOVERNMENT POSITION

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question for the Postmaster General concerns the termination procedures in effect for post office employees. It stems from a termination in Vancouver which took place on December 19, 1975. I should like to quote from a letter I received from the personnel manager of the B.C. and Yukon Postal District in Vancouver which says—

Mr. Speaker: Order, please. In all fairness I think the hon. member ought to try to make, as usual, the preamble as short as possible and put the question directly.

Mr. Clarke: Mr. Speaker, the sentence I think I must quote in order make the question relevant is this:

> Regretfully, service from our central pay office in Ottawa has deteriorated to such an extent that we can only guess his final pay will reach us about mid-March.

Does the Postmaster General think it just that his department should be allowed to force terminated employees to exist for three months without their final pay?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, the answer is, of course not. I should like, however, to analyse the whole letter, if the hon. member would be kind enough to send me a copy. The whole question of pay does not come under the Post Office but under the Department of Supply and Services.

EFFECT OF STRIKES ON PAY OF RURAL COURIERS—GOVERNMENT POSITION

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, a supplementary question for the Postmaster General. Does the minister think it fair or just that the people in charge of rural delivery receive only 50 per cent of their pay when they have been dislocated by a strike over which they have no control?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, this has been the normal practice. In all strikes, legal or otherwise, there is a certain amount of unfairness but people know when they sign the contracts, specifically, the remuneration they will receive when strikes occur in the Post Office, so the method of determining remuneration in this case was precisely the same as in the last dozen or so strikes over the last four or five years.

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NUCLEAR LIABILITY ACT

DATE OF PROCLAMATION—REASON FOR DELAY

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources and is based on the fact that documents tabled in this House on February 19 indicate that there are 109 known or suspected radioactive sites in Canada which could result in radiation damage to people or property. Given the clear federal responsibility to protect Canadians from the consequences of nuclear accidents and to provide compensation for any damage related to nuclear facility operations, could the minister tell the House when the government intends to proclaim the Nuclear Liability Act which was passed by this parliament some six years ago?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the short answer is as soon as possible.

Some hon. Members: Oh, oh!

An hon. Member: About six years or so.

Mr. Gillespie: I should like to add that I very much share the concern of the hon. member opposite. I am not at all satisfied with the pace of events with respect to negotiating the details with the private insurers. I am told it is a very technical question. I would invite the hon. member to attend the meeting of the standing committee this evening where there will be officials who can go into this matter in considerable detail.

Miss MacDonald (Kingston and the Islands): A supplementary question, Mr. Speaker. Regarding the minister's comments with respect to insurance companies, am I to take it that it is now the policy of this government to wait until certain interest groups concerned with specific legislation have come to an arrangement with the government before any specific piece of legislation relating to that has been proclaimed by the government?

Mr. Gillespie: Mr. Speaker, there are certain things that have to be done before the act can be proclaimed. One of them is to ensure that insurance policies will cover the insurable risk and that is being negotiated.

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ADMINISTRATION OF JUSTICE

REASON MR. DRURY WOULD MENTION BASELESS RUMOURS TO JUDGE HUGESSEN

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is for the Minister of Public Works. It arises out of the quite reasonable expression of his respect for the integrity and depth in the Associate Chief Justice Hugessen of the Superior Court of Quebec. Would the minister please tell the House why he would bother a judge of the integrity which he has described, and which we accept, with what the minister has termed as baseless rumours? Why would he bother bringing that to a judge of this man's character?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I think it is probably useful, and perhaps lends some colour, to denial of a rumour and a statement of lack of belief in a rumour for a person to have it directly from him if that is the case.

Mr. Baker (Grenville-Carleton): A supplementary question, Mr. Speaker. In view of the answer which the minister has just given and certain answers given just a few moments ago in the course of the question period, do I take it from the minister that he is denying categorically that there was any discussion of this question of the ganging up on certain ministers in the cabinet and among the cabinet in a formal or informal way? Is he denying that?

Mr. Speaker: Order, please. My recollection is that that precise question was put earlier this day. I would hear the argument at three o'clock, but the question was put in specific terms by an hon. member earlier in this question period as to whether or not that matter was discussed. My recollection is that the minister answered, in fact. In any case, I could take an argument in a minute or two about that point.

The hon. member for Vancouver-Kingsway.

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BUSINESS OF THE HOUSE

DATE OF PASSAGE OF PEACE AND SECURITY LEGISLATION

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, my question is for the President of the Privy Council. In view of the fact that dangerous offenders are loose in Vancouver and also in the riding of Calgary North, and the murder and the hostage taking that has become endemic in the cities of Canada, the violence that is everywhere in this nation, the movement of criminals and guns across this country as speedily and freely as airline pilots, when can we expect to get down to completing legislation to control dangerous offenders and guns in order to achieve peace and security for the people of Canada?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, this has been one of the concerns of the government.

Some hon. Members: Oh, oh!

Mr. Sharp: We have tried to bring important legislation before the House from time to time recently with moderate success only. I hope we do better in the future.

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ENVIRONMENTAL AFFAIRS

MINISTER'S RESERVATIONS ABOUT ENVIRONMENTAL EFFECT OF DRILLING IN BEAUFORT SEA—POSSIBLE PROTESTS FROM UNITED STATES

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I have a question for the Minister of the Environment. It arises from the report today that the cabinet is about to make a decision on drilling permits for offshore drilling in the Beaufort Sea. On February 23, the minister indicated to the House that he was concerned that the technology was not sufficiently advanced for a permit. He indicated:

> ... if there should be a blow-out of some kind whether we have the facilities to really make a decent clean-up so that all the ecology is not destroyed.

Would the minister inform the House today whether he still has reservations on those very important matters that he raised in the House on February 23 or is he now satisfied that we can go ahead?

An hon. Member: Clean up the cabinet first.

Hon. Jean Marchand (Minister of the Environment and Minister of Fisheries): Mr. Speaker, I think I have expressed my concern about this situation. I still am concerned and as far as what is decided, it is up to cabinet to

make the decision, not me. If the hon. member wants to know if the permit has been granted, this comes under the jurisdiction of the Minister of Indian Affairs and Northern Development.

Mr. Leggatt: Mr. Speaker, a supplementary question. The same report indicated that the United States authorities on the Alaskan slope were very concerned about the potential for pollution of their own shores in the Prudhoe Bay area. Would the minister advise if he has had representation or the government has had representation from the United States authorities expressing concern about the granting of these permits?

Mr. Marchand (Langelier): Mr. Speaker, I think that is the kind of question that should be put to the Secretary of State for External Affairs because that is the channel for such discussion.

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NORTHERN AFFAIRS

DATE OF DECISION ON PERMITS FOR DRILLING IN BEAUFORT SEA—SUGGESTED CONSIDERATION OF BERGER REPORT BEFORE DECISION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, a question for the Minister of Indian Affairs and Northern Development. Can the minister confirm whether he and his cabinet colleagues have come to a decision on the proposed offshore drilling by Canmar Ltd. for this summer in the Beaufort Sea?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, the matter is still before cabinet for decision, so the decision has not yet been taken.

Mr. Neil: Mr. Speaker, a supplementary question. In view of the fact that Mr. Justice Berger recently has taken some evidence pertaining to offshore drilling in the Beaufort Sea, would the minister recommend to cabinet a request for an interim report on the subject from Mr. Justice Berger before cabinet makes its decision?

● (1500)

Mr. Buchanan: Mr. Speaker, I shall be happy to examine Mr. Justice Berger's records and take his information into account.

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EXTERNAL AFFAIRS

CAMBODIA—GOVERNMENT EFFORTS TO OBTAIN INFORMATION ON SITUATION

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is for the Secretary of State for External Affairs. Perhaps the acting minister will answer. In the light of extremely disturbing reports coming out of Thailand regarding conditions in Cambodia and involving, apparently, a considerable slaughter of the populace, has the Canadian government made any attempt to acquaint itself with the situation there?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, personally, I have not kept in close touch, but I am sure my department has. I shall try to ascertain the facts and get in touch with the hon. member.

ROUTINE PROCEEDINGS

[*English*]

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. A few moments ago, at the end of the question period, I directed a question to the Minister of Public Works but Your Honour decided that the question has been asked before, and answered. The hon. member for Vancouver South asked a question about discussions. As I recall, his question concerned an apprehended confrontation between the judiciary and the executive branch of government. My question related specifically to the ganging-up previously referred to.

Paraphrasing my question, I asked the minister if he could deny categorically that the ganging up had been discussed formally or informally by members of the cabinet. The question related to the subsequent visit which the minister made to the court. I suggest, first, that that is not repetitious. Second, even if the question is repetitive, the Chair has ruled in the last ten days that the point to be considered is not so much on whether the question is repetitive but, rather, on the quality of the answer. It is important either to dispose of the question now or to obtain an answer, as the government insists upon not providing a proper vehicle for the kind of examination we deem necessary and which was the subject matter of my earlier motion today under Standing Order 43.

Mr. Drury: Mr. Speaker, I rise on the same point of order. I think the hon. gentleman is trying to discover who has been inspiring me. It may be unfair to suggest this, but I witnessed the fact that that was not his question. He was put up to it by somebody else. Perhaps that should not affect the quality of the question, and I do not think it does.

Some hon. Members: Oh, oh!

An hon. Member: The same old arrogance.

Mr. Drury: Although the idea is somebody else's, he still gets credit for it.

Mr. Stanfield: Utter nonsense. Rubbish.

Mr. Drury: I am utterly appalled—

Mr. Stanfield: You should be.

Mr. Drury: —that the distinguished House leader of the Conservative party should expect to get information from a member of cabinet on the details of proceedings in cabinet.

Mr. Speaker: Order, please. Once more, it is difficult to determine, not so much whether questions are repetitious of previous questions but whether they have been answered previously. The rule is difficult to enforce. For several days, we have heard questioning on the same subject. Perhaps the Chair might be forgiven on this occasion for thinking that the question has been answered.

In any event, in replying to the point of order the minister made a response. If the hon. member feels aggrieved, and if an examination of the record shows that his question was not dealt with by the minister on previous occasions, perhaps the hon. member for Grenville-Carleton will put the question again.

Mr. Harquail: Mr. Speaker, although we have listened for a couple of weeks to repetitive questions, I was not able to catch the attention of the Chair. For the last two days I attempted to ask a question of great concern to my constituency and I repeatedly failed to gain Your Honour's attention. Since I was not able to ask my question, I shall put it on the record now—

Some hon. Members: Oh, oh!

Mr. Fairweather: You have caucus every other day.

Mr. Speaker: Order, please. If the hon. member wants commiseration he might discuss the matter with three or four of his colleagues who are senior to him and tried to get the floor today, and with the entire caucus of the Créditiste party the members of which have been seeking to ask questions on other matters. The Chair has been through a difficult time these last few days in trying to focus on what is obviously an important subject, sometimes at the expense of hon. members who want to ask questions about other subjects.

Mr. Harquail: Mr. Speaker—

[*Translation*]

Mr. Fortin: Mr. Speaker, I heard with considerable interest what you have just told the Liberal member. It is bad enough that we should have been allowed only one question today without your using us to make the Liberals sit down.

* * *

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. Today is Thursday.

An hon. Member: How do you know?

Mr. Baker (Grenville-Carleton): Mr. Speaker, an hon. member asks how I know it is Thursday. Perhaps that is because it is the one question the government is prepared to answer. I want to raise the usual question concerning the business of the House. It is directed to the government House leader.

[Mr. Drury.]

Mr. Sharp: Mr. Speaker, I am glad for the confirmation that it is Thursday. I am a little confused, with all the argument that has been taking place in the House: it seems to me that today has been much the same as Monday, Tuesday and Wednesday. If I may announce the business, this afternoon I hope we will complete consideration on second reading of Bill C-68. We will then continue, as I indicated, to begin debate on the anti-inflation bill. When that is disposed of, we will revert to Bill C-83. Tomorrow is an allotted day, and Tuesday, Wednesday and Thursday of next week are allotted days. The business announced should cover today and Monday.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question to the government House leader? Since it is now three full weeks since the welcome announcement of the Minister of Veterans Affairs concerning legislation respecting Canadian veterans who were prisoners of war—

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): —is it not now possible for the minister to indicate on what day that bill will be on the order paper?

Mr. Sharp: Mr. Speaker, I cannot be precise. I am happy to note the restored interest of the hon. member in the business of the House. I expect that the bill probably will be before the cabinet committee on legislation and House planning at the beginning of the week.

Mr. Knowles (Winnipeg North Centre): You are as slow as ever.

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

VETERANS AFFAIRS

Ninth report of Standing Committee on Veterans Affairs—Mr. Boulanger.

NATIONAL CAPITAL REGION

Second report of Special Joint Committee of the Senate and of the House of Commons on the National Capital Region—Mr. Gauthier (Ottawa-Vanier) (for co-Chairman).

REGIONAL DEVELOPMENT

Sixth report of Standing Committee on Regional Development—Mr. Lumley.

[*Editor's Note: For text of above reports, see today's Votes and Proceedings.*]

QUARANTINE ACT

AMENDMENT TO EXTEND APPLICATION TO DANGEROUS DISEASES

Hon. Marc Lalonde (Minister of National Health and Welfare) moved for leave to introduce Bill S-31, to amend the Quarantine Act.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

● (1510)

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

OBJECTION TO COMMISSION REPORT RESPECTING ONTARIO

Mr. Speaker: It is my duty to inform the House that an objection signed by the hon. members for Lincoln (Mr. Andres), York South (Mrs. Appolloni), London East (Mr. Turner), Middlesex-London-Lambton (Mr. Condon), Kent-Essex (Mr. Daudlin), Bruce-Grey (Mr. Douglas), Wellington (Mr. Maine), London West (Mr. Buchanan), Hamilton East (Mr. Munro), and Niagara Falls (Mr. Young), has been filed with me pursuant to section 20 of the Electoral Boundaries Readjustment Act, chapter E-2, RSC 1970, to the report of the Electoral Boundaries Commission for the province of Ontario.

If the House agrees, I would suggest we follow past practice and print the text of the objection as an appendix to this day's *Votes and Proceedings*. Is that agreed?

Some hon. Members: Agreed.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,674, 3,845, 3,848 and 4,942.

[*Text*]

PLACE DU PORTAGE COMPLEX—COSTS

Question No. 3,674—**Mr. McKenzie:**

1. What is the total cost of construction of the new Place du Portage complex in Hull over the original estimates?

2. What is the estimated cost of (a) site acquisition (b) architectural design (c) mechanical and electrical engineering services (d) foundation structure (e) landscaping and interior design and, in each case, what is the name of the firm who has been awarded the contract?

3. (a) What was the purchase price of the site (b) from whom was it purchased (c) how was the decision reached as to the cost of the property?

4. What is the estimated (a) annual operating cost of the building (b) total amount of useable floor space?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Public Works and

National Capital Commission as follows: 1. Place du Portage—Phase I, $7,223,774; Place du Portage—Phase II, $4,668,615; Parking Garage—Former City Hall Site, $166,412.

2. (a) Approximately $412,000, exclusive of purchase price reported under Part 3(a), covered legal, appraisal and other incidental expenses. (b) Phase I—$361,981, Daniel E. Lazosky; Phase II—$705,267, Daniel E. Lazosky; Parking Garage—Former City Hall Site, $95,500, Labrecque, Vezina and Associates. (c) Costs associated with this service are included in estimated cost shown for architectural design. The Standard Consultant Agreement provides for mechanical and electrical services which is part of the basic fee for prime consultants, therefore no detailed cost is available. (d) Phase I—$1,299,640—Thomas Fuller Construction (1958) Limited; Phase II—$1,871,006—Pitts Quebec Limited ($618,540) and V.K. Mason Construction Limited ($1,252,466). Parking Garage—Former City Hall Site—$3,266,838, V.K. Mason Construction Limited ($689,935), J.R.B. Construction ($65,779) and Thomas Fuller Construction Co. (1958) Limited ($2,511,124). (e) Landscaping: Insofar as landscaping costs are concerned, design and construction costs identified to date amount to about $2,575,000. Hough, Stansbury Associates, Toronto, has been awarded contracts for landscape design. Cramer Nursery, Ltd., Montreal, and Thomas Fuller Construction Co. (1958), Ltd., Ottawa, have been awarded contracts for landscape construction. Interior Design: Phase I—$219,559—Daniel E. Lazosky; Phase II—$142,946—Forrest Bodrug; Parking Garage—Former City Hall Site—Nil.

3. (a) $2,748,878.65. (b) The land assembly involved 20 individual owners, the City of Hull and a larger holding from Portage Inc. (c) Each individual property was appraised by independent appraisers establishing the current market value at the time, in accordance with the normal standards and procedures of the appraisal profession.

4. (a) Phase I—$375,333.; Phase II—$325,613.; Parking Garage—Former City Hall Site—$42,158. (b) Phase I—328,438 square feet; Phase II—351,681 square feet; Parking Garage—Former City Hall Site—120,000 square feet.

PEI—FISHING SECTOR

Question No. 3,845—**Mr. MacDonald (Egmont):**

With reference to the fishing sector of the Prince Edward Island Comprehensive Development Plan, did members of DREE or the Joint Advisory Board hold discussions of any sort as part of the drafting process for the Phase 2 Agreement, with persons engaged in fishing, fish processing or their representatives and, if so (a) on what date (b) with whom (c) on what topic (d) for what purpose?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: In the process of developing the Phase II Agreement, members of DREE met with a cross section of people engaged in fishing and fish processing and as well received the views of fishermen's organizations from the province. Records of dates, participants' names, or topics of discussion were not kept.

Order Paper Questions

PEI—FISHING SECTOR

Question No. 3,848—**Mr. MacDonald (Egmont):**

With reference to the fishing sector of the Prince Edward Island Comprehensive Development Plan, have changes been made in the (a) sectoral strategy (b) objectives (c) programmes for Phase 2 as a result of the Phase 1 evaluation report by Professor Copes and, if so, what are they?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: (a), (b) and (c): The study by Professor Copes was one factor that was considered when changed objectives, strategies and programs were being developed for Phase II. No changes have been made purely as a result of this study.

"OH! CANADA" ALBUM

Question No. 4,942—**Mr. Reynolds:**

In relation to the Commissioner of Official Languages' *Oh! Canada* album, how many (a) were made and at what cost (b) have been distributed and to whom (c) are planned for distribution in the future?

Hon. Mitchell Sharp (President of the Privy Council): The Commissioner of Official Languages reports directly to Parliament and not through a minister. Questions can be made directly to him privately.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURN

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions Nos. 3,977 and 4,061 could be made orders for return, these returns would be tabled immediately.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

NATIONAL HEALTH AND WELFARE—FUNDS FOR WELFARE SERVICES

Question No. 3,977—**Mr. Matte:**

1. Has the Department of National Health and Welfare ever granted funds for the development and the efficiency of welfare services in Canada and, if so, what was the total amount?

2. For each such grant, what was (a) the name of the recipient (b) its purpose (c) the amount (d) the year it was made?

Return tabled.

MONEY APPROVED BY NEWFOUNDLAND AND LABRADOR DEVELOPMENT CORPORATION

Question No. 4,061—**Mr. Marshall:**

1. Of the total amount of money approved by the Newfoundland and Labrador Development Corporation, for each year (a) 1971-72 (b) 1972-73 (c) 1973-74 (d) 1974-75 (e) 1975-76, what was the (i) breakdown by industry classification (ii) percentage breakdown by industry (iii) number of individual projects (iv) distribution by electoral districts?

2. For the same years, by electoral district, how many (a) inquiries were received (b) applications were (i) approved (ii) rejected?

[Mr. McIsaac.]

3. What is the breakdown of operating costs of the Corporation for each year since its inception?

Return tabled.

GOVERNMENT ORDERS

[*English*]

MEDICAL CARE ACT

AMENDMENT TO LIMIT ANNUAL INCREASE IN PER CAPITA COST OF INSURED SERVICES UNDER MEDICAL CARE PLANS

The House resumed, from Wednesday, March 17, consideration of the motion of Mr. Lalonde that Bill C-68, to amend the Medical Care Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: Order, please. Before permitting the hon. member for Yukon (Mr. Nielsen) to resume speaking, may I indicate that in accordance with our records there remain exactly 20 minutes pursuant to the order previously made under Standing Order 75C. Therefore, at 3.35 this afternoon I will interrupt proceedings and put the questions necessary to dispose of the motion now before the House.

Mr. Erik Nielsen (Yukon): Mr. Speaker, in keeping with the traditional courtesies of the House, it will be my intention to share some of the time remaining with the minister so that he might be permitted to answer some of the points that have been made on this side. However, I want to impose upon the minister three conditions to that sharing of time. First, and I am sure he will agree with this, that he direct himself to the question of the Yukon and Northwest Territories participating in federal-provincial conferences, not on an observer basis but on the basis of being heard; second, that he deal with the status of the transference of the administration over health services in the Yukon territory to the territorial government; third, and I am sure he will agree with this, that he will not be heavy-handedly partisan in his use of the time which I intend to leave him.

Before proceeding, I want to say with respect to yesterday's *Hansard*, page 11894, at the foot of the page in the left-hand column, there appears a statement attributed to me. It reads:

The minister belonged to one scheme for 19 years.

The reference is to the then minister of justice. However, that was not the reference I made. I said that I had belonged to the Ontario scheme for 19 years. The point I was making was that that was my choice, as indeed it was the minister's.

I exposed last night, primarily for the consideration of the Minister of Justice (Mr. Basford) rather than the Minister of National Health and Welfare (Mr. Lalonde), circumstances which prevailed in the Yukon concerning certain charges made by an employee of the minister. The circumstances appeared to indicate some pressure being brought to bear upon the minister's employee to withdraw those charges. I hope that the Minister of National Health

and Welfare will consult his colleague with regard to my suggestion that an investigation be held. I want to say that it was being made only for the purpose of conveying, at least to the public, the assurance that indeed there are no double standards in the administration of justice. Should the investigation disclose—and I certainly hope it does not—that there has been a transgression of the provisions of this section of the Criminal Code, the government will lose no time in dealing with the evidence on that basis.

There are two important matters that I want to raise before resuming my seat. One has to do with questions that would have been raised by the member of the Yukon legislative council and the executive committee member—concerning herself with health matters in the Yukon had she been given the opportunity to speak. That is the question of urging the minister to give priority to expediting the transference of responsibility for the administration of health services in the Yukon—here I do not speak for the Northwest Territories—from the federal government to the territorial government. This matter is high on the priority of the Yukon legislative assembly. Had she been able to urge upon the minister that view, as part of the discussions taking place with respect to federal-provincial arrangements, she would have done so. I am sure she has done so in private, but that is not sufficient.

I understand that the minister has appointed a consultant, Jack Flemming, an employee of the department, to set up a timetable for the transfer. May I get this through to the minister: there is nothing complicated about this transfer, no more so than there were any complications attendant upon the transference of the Alaska highway system to the territorial government from the federal government. With respect to the employees, they are given a choice. They go with the transference, as they did in Public Works, or they are in other positions. I do not think there is any real complexity about effecting that transfer without delay. That is one point I would like the minister to deal with in exchange for the courtesy I am going to afford him to wind up this debate.

I do not think there will be any financial problems as far as employees at the federal level are concerned. Once they transfer to the territorial level, they will be at least as well off, and in some cases a little better off. Some positions eventually, of course, will go by attrition. However, the most important factor in effecting the transference without delay is to enable the territorial legislature to apply its own priorities rather than federal government factors taking priority. I might add, for the minister's information, that the full support of the Yukon Medical Association is behind the acceleration of this transference.

With respect to the cost-sharing arrangements, this is one matter that disturbs me. I well recall the debate in this House which set up the medicare scheme. I well recall opposing it simply because we were not accorded the opportunity of participating. The present government is known for adopting stances one minute which are the direct opposite of those taken the minute before. I well recall the formulas which were developed for the purpose of constructing cost-sharing arrangements. The formulas put forward at that time were those upon which we acted; they were the basis for measures which were taken in the two northern territories. Now we find the federal government backing away from those proposals, unilaterally as far as the northern territories are concerned, and we have no recourse, no say one way or the other as to how it will affect us.

● (1520)

The fact is that in the first year we shall probably be all right in the Yukon because of the assurances given last October by the minister to the health ministers who attended the conference at that time. The Yukon and Northwest Territories have no input whatsoever, so there is complete inability to plan as far as both territorial governments are concerned. In my view, this is a compelling argument for the minister to set up a structure which would allow a meaningful input by territorial representatives at federal-provincial conferences on health matters. I do not mean at the deputy minister or official level, but at the political level. If we are to be expected to pay our share of the cost, if we are to be burdened with added cost in the Yukon, we should have a part to play in the decision-making process.

One example of the manner in which federal decisions made unilaterally can affect us is to be found in the closing of one wing of the Charles Camsell Hospital in Edmonton. This has thrown a burden on the Yukon and Northwest Territories of looking after patients who are no longer acceptable at Camsell; they must be cared for in territorial hospitals unless, of course, they are seriously ill, in which case they are taken outside in any event. I understand this matter is now being discussed with the Yukon Medical Association and that they are not at all happy about this added burden which is being placed upon hospital facilities in the north.

There are other representations I could make with respect to the application of this legislation as it affects the north, but the chief complaint we have is the fact that we are not heard when conferences are held; we have no part in the decision-making process. It would not detract at all—indeed, I think it would be helpful to the functioning of these conferences—if the minister were to back down and permit territorial representatives from the elected councils to be heard as part and parcel of the design and operation of health schemes which the federal government expects to operate in the two territories, with costs being shared by the central administration. I shall now allow the minister to close the debate.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I should like, first of all, to thank the hon. member for Yukon (Mr. Neilsen) for his kindness in giving me some time to conclude this particular stage of the study of Bill C-68.

I would call the attention of hon. members to the fact that we have been debating this bill for a very long time. No fewer than 90 speeches have been made on it, most of them by members opposite, and I note particularly an attempted filibuster by members of the New Democratic Party. I submit there is a time for discussion and a time for decision, and that we have reached the time for decision on this matter. I thank the government House leader for having brought in an order requiring the House to make up its mind at last on the principle of this bill on second reading.

I shall be happy to discuss at length the content and objectives of the bill in committee as soon as the Standing Committee on Health, Welfare and Social Affairs can be called. I hope the opposition will realize from these detailed studies that the bill is one which is required in current circumstances.

Mr. Orlikow: Tell that to the provinces.

Mr. Lalonde: The hon. member for Winnipeg North (Mr. Orlikow) has been heard plenty of times, and I suggest he should also listen a little. The hon. member for Yukon talked about the representation of the Yukon and the Northwest Territories at federal-provincial conferences. He raised this matter in relation to conferences of ministers of health, but I submit to him that the question is obviously much broader than that: it relates to all federal-provincial conferences and to the status which should be given to the two territories in relation to the provinces and the federal government.

I have already indicated that the elected representatives or the appointed officials of the territories are welcome at these conferences. They are regularly invited. They can participate as observers or as part of the federal delegation. My door has always been open to them and I have frequent contacts with them. One might say that in fact they are in a privileged situation which enables them to talk, if they wish to do so, with federal ministers and officials at a very early stage in the development of policy. It is up to them to use the opportunities available to them as part of the federal delegation. I can, of course, understand their interest in participating at these conferences as full-fledged members, but that is a question which goes well beyond the field of health and welfare.

As for the transfer of health services to the Yukon, I submit the hon. member is a little late in raising this issue. I agreed to the transfer of health services in the course of the last 12 months. The hon. member drew an analogy with the transfer of the Alaska highway. I do not think it is a well chosen analogy, because a health care system is not very much like a highway; it is a more complex operation and it has to be treated with extreme care. The timetable I have proposed has been agreed upon by the northern representatives and there is no problem, as far as the elected representatives are concerned with respect to the timetable I have in mind. I understand the transfer is progressing normally, and I certainly look forward to the day when the Yukon will have full responsibility for the administration of health services for its own citizens. Obviously, this will have to be done co-operatively and will take some time.

● (1530)

With regard to the particular point about Dr. Connolly, I have investigated the matter with my officials and I have been unable to find any evidence of the threat of dismissal which the hon. member indicated. Nevertheless, the hon. member has raised a legal question which I am sure the Minister of Justice (Mr. Basford) will want to examine with his officials.

May I take the three minutes remaining to thank, first of all, all hon. members on this side of the House for their contributions to the debate. Eighteen members on this side of the House have participated, and having listened to their speeches, and read their speeches when I was unable to be in the House, I have no hesitation in saying those 18 speeches were overwhelmingly better than the 62 others made by members of the opposition. The most preposterous statements have been made during the course of this debate by the opposition, the worst coming from the NDP.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner): Order, please. The minister has the floor.

Mr. Lalonde: Mr. Speaker, I am sorry to hurt the feelings of opposition members, but I think they are beginning to realize what a mistake they made in opposing this bill. Hon. members opposite have said that this bill will be the end of hospital insurance. The bill has nothing to do with hospital insurance. I can understand members of the official opposition, particularly those from Ontario, raising this issue, but I submit they were completely out of order in doing so. They should be members of the Ontario legislature, not members of this House.

Another amazing complaint which has been made regularly is that there has been a lack of federal-provincial consultation. If ever there has been an area where there has been consultation over the last three or four years, it is this area. We have had regular meetings between ministers and officials and the discussions have been extremely productive. The speeches of some opposition members in this debate have really been like voices from the past. They are living in another age and are quite unacquainted with what has been going on in this field during the last few years. I shall have more to say about this subject at a later stage, Mr. Speaker. In the short time at my disposal, I shall merely say that extensive consultations have taken place, not only on this bill but on the whole question of health services. Yesterday and the day before there was a federal-provincial meeting of deputy ministers that went very well indeed. I will be meeting with the provincial ministers at the end of April, and I am sure this, too, will go well.

The Acting Speaker (Mr. Turner): Order, please. It being 3.35 o'clock p.m., pursuant to the provisions of Standing Order 75C it is my duty to interrupt the proceedings and to put forthwith every question necessary to dispose of the second reading stage of the bill now before the House. The question is on the amendment. All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner): Call in the members. The bells will ring for 15 minutes.

● (1550)

Following the ringing of the bells:

Mr. Speaker: Order. Hon. members will realize that there is a possibility that two questions will have to be put. May I assume that in the event two questions have to be put we may proceed with both without the necessity of ringing the bells again.

Some hon. Members: Agreed.

The House divided on the amendment (Mr. Gilbert) which was negatived on the following division:

(*Division No. 120*)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Andre
(Calgary Centre)
Baker
(Grenville-Carleton)
Balfour
Benjamin
Brewin
Brisco
Broadbent
Cadieu
Caouette
(Villeneuve)
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Darling
Dick
Dinsdale
Dionne
(Kamouraska)
Douglas
(Nanaimo-Cowichan-
The Islands)
Elzinga
Epp
Fairweather
Firth
Forrestall
Fortin
Fraser
Friesen
Gilbert
Gillies
Grafftey
Halliday
Hamilton
(Swift Current-
Maple Creek)
Hargrave
Hees
Hnatyshyn
Holmes
Horner
Huntington
Hurlburt
Jarvis
Jelinek
Johnston
Kempling
Knowles
(Winnipeg
North Centre)
Knowles
(Norfolk-Haldimand)
Korchinski
La Salle
Lavoie
Lawrence
Leggatt
MacDonald
(Egmont)
MacDonald (Miss)
(Kingston and the
Islands)
MacKay
MacLean
Malone
Masniuk
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinnon
Muir
Munro
(Esquimalt-Saanich)
Murta
Neil
Nielsen
Nystrom
Oberle
Orlikow
O'Sullivan
Paproski
Patterson
Peters
Reynolds
Ritchie
Roche
Rondeau
Saltsman
Schellenberger
Scott
Skoreyko
Stanfield
Stevens
Stewart
(Marquette)
Symes
Towers
Wagner
Wenman
Whiteway
Wise
Woolliams—93.

NAYS

Messrs.

Abbott
Allmand
Anderson
Andras
(Port Arthur)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Cyr
Danson
Daudlin
De Bané
Demers
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ethier
Fleming
Flynn
Foster
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Goodale
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Haidasz
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapointe
Leblanc
(Laurier)
Lee
Lessard
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacFarlane
MacGuigan
Mackasey
Maine
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Munro
(Hamilton East)
Nicholson (Miss)
O'Connell
Olivier
Parent
Penner
Philbrook
Pinard
Portelance
Poulin
Railton
Raines
Richardson
Roberts
Robinson
Rompkey
Rooney
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Sharp
Smith
(Saint-Jean)
Stanbury
Stollery
Tessier
Trudeau
Trudel
Turner
Watson
Whelan
Yanakis
Young—121.

● (1600)

The House divided on the motion (Mr. Lalonde) which was agreed to on the following division:

(*Division No. 121*)

YEAS

Messrs.

Abbott
Allmand
Anderson
Andras
(Port Arthur)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Corriveau
Cyr
Danson
Daudlin
De Bané
Demers
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ethier
Fleming
Flynn
Foster
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Goodale
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Haidasz
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapointe
Leblanc
(Laurier)
Lee
Lessard
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacFarlane
MacGuigan
Mackasey
Maine
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Munro
(Hamilton East)
Nicholson (Miss)
O'Connell
Olivier
Parent
Penner
Philbrook
Pinard
Portelance
Poulin
Railton
Raines
Richardson
Roberts
Robinson
Rompkey
Rooney
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Sharp
Smith
(Saint-Jean)
Stanbury
Stollery
Tessier
Trudeau
Trudel
Turner
Watson
Whelan
Yanakis
Young—121.

NAYS
Messrs.

Alexander	Halliday	McCleave
Alkenbrack	Hamilton (Swift Current-Maple Creek)	McGrath
Allard	Hargrave	McKenzie
Andre (Calgary Centre)	Hees	McKinnon
Baker (Grenville-Carleton)	Hnatyshyn	Muir
Balfour	Holmes	Munro (Esquimalt-Saanich)
Benjamin	Horner	Murta
Brewin	Huntington	Neil
Brisco	Hurlburt	Nielsen
Broadbent	Jarvis	Nystrom
Cadieu	Jelinek	Oberle
Caouette (Villeneuve)	Johnston	Orlikow
Clark (Rocky Mountain)	Kempling	O'Sullivan
Clarke (Vancouver Quadra)	Knowles (Winnipeg North Centre)	Paproski
Darling	Knowles (Norfolk-Haldimand)	Patterson
Dick	Korchinski	Peters
Dinsdale	La Salle	Reynolds
Dionne (Kamouraska)	Lavoie	Ritchie
Douglas (Nanaimo-Cowichan-The Islands)	Lawrence	Roche
Elzinga	Leggatt	Rondeau
Epp	MacDonald (Egmont)	Saltsman
Fairweather	MacDonald (Miss) (Kingston and the Islands)	Schellenberger
Firth	MacKay	Scott
Forrestall	MacLean	Skoreyko
Fortin	Malone	Stanfield
Fraser	Masniuk	Stevens
Friesen	Matte	Stewart (Marquette)
Gilbert	Mazankowski	Symes
Gillies	McCain	Towers
Grafftey		Wagner
		Wenman
		Whiteway
		Wise
		Woolliams—93 .

● (1610)

Bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

* * *

ANTI-INFLATION ACT

MEASURE TO ADD NEW DEFINITIONS

Hon. Donald S. Macdonald (Minister of Finance) moved that Bill C-89 to amend the Anti-Inflation Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, as the House will recall, last week I announced that on the recommendation of the Anti-Inflation Board all firms and employees in five industries which engage extensively in association bargaining, construction, trucking, grain handling, longshoring and shipping are being brought under the control program because of their strategic importance in containing and reducing inflation. I advised the House, in addition, that the government has decided to ask the Anti-Inflation Board to consider whether the property and casualty insurance industry should also be brought into the program, for the same reason. I should now like to take the opportunity to outline the amendments to the anti-inflation legislation proposed in Bill C-89, to indicate the nature of some of the further changes the government intends to make in the guidelines and to review the operation of the anti-inflation program to date.

Members will recall that at the time the program was first announced last October, I readily acknowledged the fact that we were entering a difficult and complex area, one in which few people in Canada had much experience. I emphasized that we fully appreciated the importance of maintaining close consultation with all groups in the economy affected by the guidelines and the importance of being prepared to make changes in the system as the need for them became apparent. The amendments to the legislation put forward in this bill, together with the alterations that are being made in the regulations, further testify to the government's readiness to bring forward changes in response to constructive representations from every quarter in an effort to increase both the fairness and effectiveness of the anti-inflation program.

First, let me indicate two significant changes that are being made in the regulations. At present, an exemption from the general guidelines is provided for compensation of workers up to $3.50 an hour or to permit a minimum rise in compensation of $600 a year. As the regulations now stand, these limits include not only wages and salaries but also any additional fringe benefits. The government believes the exemption from restraint for those in the lower income brackets should be made more generous and less complicated by applying the limit only to wages and salaries rather than to total compensation: or, to state it another way, the $3.50 will be calculated on the take-home pay and the fringe benefits will be in addition to that.

A relieving change of a parallel nature will also be made in the case of the guidelines relating to compensation received in the form of indirect incentive benefits such as bonuses and profit-sharing arrangements, ones which in many firms are very much related to the productivity of employees. At present, the permissible increase in such benefits is computed on the basis of the average indirect incentive payments received over the previous five years. In a number of cases, this rule has the effect of reducing the compensation available to an employee below that received in the previous 12-month period, which is contrary to the general intent of the guidelines. To remedy this shortcoming, we intend to allow an employer to use either the average of the previous five years or the incentive provided in the immediately preceding 12-month period as a basis for determining permissible increases in indirect incentive benefits under the guidelines. The $2,400 limit on the average increase in total compensation would, of course, continue to apply. Some additional changes of a more detailed nature will also be made in the guidelines, the nature of which will be indicated shortly.

Now, Mr. Speaker, I would like to outline the more important amendments being proposed in the legislation now before the House. Undoubtedly, the most significant change involves a series of amendments related to the difficult and contentious issue of the appeal system which has been the subject of what the government believes to be a considerable degree of misunderstanding. Let me explain how the proposed new system would work. As is the case at present, the Anti-Inflation Board would have the initial responsibility for considering whether any actual or proposed increase in prices, profits, compensation or dividends coming under the mandatory control program was permissible under the guidelines.

In the event the board provides notification of its opinion that an increase exceeded the guidelines, any person or group directly affected by that decision which chose to dispute it would have the right to so notify the board,

which in turn would be required to refer the issue in question to the administrator. Subsequently any order issued by the administrator could be appealed to the Anti-Inflation Appeal Tribunal.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Under this amended procedure it would be possible for a disputed opinion of the Anti-Inflation Board to be referred to the administrator for his consideration without the necessity of actually increasing prices or incomes contrary to a board opinion. In that way, the party or parties involved could avoid the risk of being found by the administrator to have contravened the guidelines and subject to the possible consequences of such a decision.

A second important change in the system involves a significant broadening of the right of appeal. At present, only the party or parties specifically named in an order of the administrator have the right to launch an appeal. A similiar right does not extend to those who may be directly affected by the order but not named in it. Under the revised system, those directly affected would be granted similar rights of appeal. This change has application, of course, in cases involving compensation where there are two parties to the issue. The legislation provides that an employee organization, for example a trade union or, in the case of unorganized workers, what is referred to as a "designated employee" chosen to represent workers who are not organized, may dispute opinions of the Anti-Inflation Board on compensation directly affecting their interests, requiring such issues to be referred to the administrator for his consideration. An employee organization or designated employee would also have the right to appeal an order of the administrator to the Anti-Inflation Appeal Tribunal and beyond, as now provided in the law. A similar right would be extended to employer organizations directly affected by guideline decisions.

Members will be familiar with many of the questions relating to the appeal process which I have been discussing which arose out of the case referred to the administrator involving an increase in compensation to employees of the Irving Pulp and Paper Co. Under this legislation, the way would be opened for an appeal to be launched against an order of the administrator by an employee group or a designated employee chosen to represent fellow workers who were formally associated in a group, and specifically to the collective bargaining unit in that particular company affected by the decision.

● (1620)

A third issue that arises relates to the question of increases in compensation in excess of the guidelines. Under present regulations, special factors may be taken into consideration; first, in the case of a group that operated under a compensation plan agreed to before January 1, 1974, which expired before October 14, 1975; second, in the case of a group which had not jointed in a new compensation plan before that time in October; and third, where one group had a historical relationship with another group. The regulations provide that in such circumstances an increase in compensation in excess of the guidelines may be granted for—

—such further amount that in the opinion of the Anti-Inflation Board is consistent with the objectives of the act.

It was always our intention that in the first instance the parties, and ultimately the administrator and the appeal tribunal, should be entitled to formulate their own judgment as to whether any increase in compensation beyond the guidelines was justifiable in such cases, and we propose to modify the regulations shortly to provide more certainty in that respect. An amending clause in this bill makes clear the power of the tribunal to consider whether increases in compensation in excess of the guidelines are consistent with the purposes of the act in the case of an appeal against any outstanding orders of the administrator.

In keeping with the intention which I indicated to the House previously, the legislation would also permit members of the Tax Review Board who, according to the terms of the act governing the board are allowed to discharge no other duties, to serve as members of the Anti-Inflation Appeal Tribunal, notwithstanding the restrictions contained in the act governing that board.

A further amendment exempts compensation in the Quebec construction industry from the federal guidelines, to give effect to the agreement under the anti-inflation program with the provincial government which was signed a week or so ago. That agreement provides for the Quebec government to exercise responsibility for the application of the compensation guidelines in that industry because of the unique system in force in that province, but no other, under which wage standards in construction are established by provincial decree following government discussions with employers and employees.

The bill proposes, in addition, to broaden the scope of the authority available to the administrator in issuing orders involving compensation and dividend cases. This would make it possible, for example, for the administrator to issue an order affecting both employers and employees in compensation cases, in contrast to the current situation in which he is limited to issuing an order involving only one or the other party.

As I indicated at the outset of my remarks, Mr. Speaker, I believe these amendments, together with the changes being made in the regulations, will significantly increase both the fairness and effectiveness of the anti-inflation program. If, as and when other modifications become necessary to deal with emerging difficulties or changing circumstances, we will be quite prepared to make these changes. As it is, considerable progress had been made in the implementation of this national effort to bring inflation under control. The administrative machinery at the national level is now in full operation. We have entered into agreements with seven provincial governments covering the application of the guidelines to the public sector in those provinces, and I would hope that agreements with the remaining provinces can be reached in the not too distant future. All of the provinces have established, or are in the process of establishing, restraints on rent increases.

Perhaps the most important development is the emergence of early signs that some significant progress is being made in slowing the cost-price spiral and, consequently, the rate of inflation. Over the past few months the rate of increase in wholesale and industrial selling prices has been

moderating. In February, the rise in the consumer price index was only .3 per cent. During the latest three-month period to February the average annual rate of increase in consumer prices was 4.5 per cent, an encouraging decline from the three-month average in January of 7.2 per cent and the three-month rate last August of nearly 14 per cent. The broad yardstick of inflation as measured by the national accounts showed the rate of price increase for 1975 as a whole down to 9.7 per cent from 13.8 per cent the previous year.

The base rate increase in wages and salaries under major, new collective bargaining settlements has also continued to moderate, declining from an average annual increase over life of contracts in the second quarter of last year of 18.6 per cent to 14.3 per cent in the fourth quarter—a figure that could conceivably be further revised downward as a result of the impact of the anti-inflation guidelines.

Undoubtedly, the most marked change has taken place in the case of major agreements covering those in the non-commercial sector, where the average annual increase over life of contract has declined from 23.2 per cent for settlements in the second quarter of 1975 to 13.6 per cent in the fourth quarter of last year. In the commercial sector, the rate of increase declined from 15.1 per cent in the second quarter to 14.9 per cent in the fourth quarter.

As hon. members are well aware, a number of observers have contended that sizeable public sector settlements have been a major factor contributing to an increase of Canadian wages and salaries generally at twice the rate prevailing in the United States. That view should be tempered by the fact that a substantially greater proportion of major settlements reached in the commercial sector have contained cost of living adjustment provisions than those in the public sector, which does much to narrow the apparent disparity between the two sectors. To be specific, a total of 60 per cent of workers covered by major, new collective bargaining agreements in the commercial sector last year enjoyed the protection of cost of living clauses, as opposed to only 12 per cent in the non-commercial sector. Nevertheless, there can be little doubt that large settlements in the public sector have played a part in influencing the sharp increase in wages and salaries generally in Canada. For that reason, the scaling-down of public sector settlements over the course of the year is particularly important.

In that connection, I would like to point out that federal public service bargaining agents generally have been responsive and responsible in collective bargaining with the government. New agreements negotiated during the course of 1975 provided for an average annual increase in wages and salaries over the life of the contracts of 14.4 per cent. This compares with an average annual increase of 14.7 per cent in the commercial sector, including Crown corporations but excluding construction, 17.7 per cent in the municipal sector, and 20.7 per cent in the provincial sector, including other public bodies such as schools and hospitals. During 1976, agreements and tentative settlements reached with a number of groups in the federal public service have provided for an average annual increase over life of contract of 11.8 per cent, down significantly from the average 14.4 per cent increase in settlements arrived at during 1975.

[Mr. Macdonald (Rosedale).]

I would be the first to acknowledge that the contribution of the anti-inflation program to this moderation of costs and prices up to now has probably been quite modest. We have emphasized repeatedly that the impact of that program could only be gradual. Nevertheless, such developments are mutually reinforcing, with a trend of declining inflation helping to bolster the confidence of Canadians in the outlook for the future, which in turn can only help to contribute to a continued slowing of the inflation rate itself.

Now, Mr. Speaker, I want to deal with the persistent allegation that the anti-inflation guidelines are solely effective in restraining wages and salaries and have virtually no effect whatever in restraining prices and profits. This allegation is based on a serious misconception, not to say misrepresentation, of the entire program. It seems to stem in large part from the fact that most of the initial decisions of the board have been concerned with compensation cases and, more particularly, with cases involving wage and salary increases in excess of the guidelines. There is a simple explanation for that, Mr. Speaker. It is the very fact that we wrote into the guidelines provisions to allow for wage and salary increases over and above the limits provided in the guidelines so as to be able to provide an element of fair and equitable treatment for those who had fallen behind in the inflation scramble, and to reduce the sharp distortions created in the process.

We could have followed the approach adopted in many other countries of establishing a flat limit on permissible increases and provided few, if any, exceptions. In the United States they provided only for a limited percentage increase in wages and salaries. In the United Kingdom, unions voluntarily agreed to accept a maximum pay increase of $12 a week for those in the moderate income category. For a 40-hour week, that is an increase of 30 cents an hour. For those in higher pay brackets, no increase was provided at all, despite the fact that inflation until recently has been running at an annual rate of nearly 30 per cent.

● (1630)

In Canada, on the other hand, we provided a number of exceptions to the general rule. We established a complete exemption from the guidelines for those in the lower pay scales. We made an exemption for women to provide room for an increase in their compensation to that paid to men in equivalent positions. Also, as I indicated earlier, we provided for an increase in compensation in excess of the guidelines to permit some catching up for those whose pay had fallen seriously behind the pace of inflation and for those whose relative pay position, compared to other groups with which they had an historical relationship, had deteriorated significantly.

Had we not provided this degree of flexibility, of equity and of fairness, and instead followed the course adopted by a number of other countries, there would be far fewer cases involving compensation coming before the anti-inflation administrative bodies for their consideration, and there would be far less room for public dispute. But is any member of this House—indeed, is any spokesmen for organized labour prepared to argue that we should not

have followed this approach, that we should not have sought to build in these elements of fairness and equity? Unless they are prepared to advocate that course, they have no grounds on which to argue that the cases going before the anti-inflation agencies for consideration of compensation increases in excess of the guideline can be said to provide one shred of evidence that the program is biased against Canadian workers. If anything, the very opposite is true.

What about the position of prices and profits? Let me give the House some plain facts. The first and most important fact is that the program is working now to restrain prices and profits and, if anything, is working to restrain them more severely and more effectively and it is working at present to restrain wages and salaries.

It is perfectly true that there has not been a series of rulings pouring out of the Anti-Inflation Board up to now ordering firms to hold price levels, to roll back price increases or shave profit margins. There should be no expectation that a price and profit control system in this or any other country would work in that way. It did not work that way in the United States. It does not work that way in Britain where, incidentally, there is no similar chorus about the ineffectiveness of price and profit controls, even from organized labour, despite the fact that the systems are very similar—and it cannot work that way here in Canada.

Unlike the case of wages and salaries, the guidelines do not provide broad latitude for exemptions or exceptions from the general rules restraining prices, profits and dividends. As members know, the general rule is that prices must not increase by more than permissible cost increases, and profit margins must be limited to 95 per cent of the average of the past five years.

Mr. Orlikow: Except for exports.

Mr. Macdonald (Rosedale): The hon. member for Winnipeg North (Mr. Orlikow) says "Except for exports." I draw to his attention the fact that when we took off the export levy, the Canadian Labour Congress approved of our position in that regard. Contrast that stringent regime with the provisions for real increases provided in the case of wage and salary earnings generally, and even greater increases provided for those who have fallen particularly far behind in the pay race.

The Anti-Inflation Board, of course, has some flexibility in how it administers the general rules applying to prices and profits and some power to deal with exceptional cases. No doubt there is also room for some dispute between companies and the board over the interpretation of particular provisions of the guidelines relating to prices and profits which could give rise to appeals from board judgments. Generally speaking, however, it is a fact that the price and profit guidelines are understood and are being applied by companies to the best of their ability in the daily operation of their business. While there may well be a few firms busily intent on circumventing or evading the guidelines, I think the overwhelming evidence is that the vast majority of companies are anxious to do everything possible to remain strictly within the guidelines, mostly because they know it is essential to make the program work—and they desperately want it to work—and some because they are fearful of the heavy public censure that would result if they were seen to be stepping out of line.

To ensure continuing compliance by companies subject to mandatory controls, some 150 key firms have been required to give the Anti-Inflation Board 30 days advance notice of any proposed price increases involving a wide range of strategically important consumer and industrial goods and services. A clear indication that the program is working effectively now is provided by the fact that such notification of proposed price increases has up to now been received only for a limited range of goods and services, although of course more can be expected as rising costs work their way through the system. Some 6,500 firms are already in the process of filing extensive information as a basis for actively monitoring their prices and profits in future.

In some cases, the argument about price and profit controls follows a rather different tack. The line goes something like this: Yes, no doubt the government and the Anti-Inflation Board are sincere and well-intentioned in their determination to restrain prices and profits effectively, but everyone knows they are doomed to failure because the companies can easily circumvent controls simply by cooking their books.

Mr. Orlikow: That's right.

Mr. Macdonald (Rosedale): The hon. member says "That's right." That is a point that has been made before by the hon. member for Oshawa-Whitby (Mr. Broadbent) and his followers. The most effective way I can deal with this argument of members of the NDP is to point out to them, and others who make a similar argument, that they were also in the forefront of those who long called for imposition of controls on the prices and profits of a number of companies. May I suggest, Mr. Speaker, that these hon. members cannot have it both ways.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): If they believed, at the time of advocating such controls in the corporate sector, that the program could be made effective, then it still must be true, and they are caught in their own contradictions. Before concluding, I would like to comment briefly on one further aspect of the anti-inflation program, the restraint of government expenditures. My colleague, the President of the Treasury Board (Mr. Chrétien), recently tabled the estimates for the coming fiscal year and advised the House that the increase in total federal outlays in 1976-77 would be around 16 per cent. Notwithstanding the substantial cuts that were made in prospective government spending to hold the increase to that limit, a number of members of the official opposition in this House and a number of observers outside the House have condemned an increase of that magnitude as excessive.

It is not unfair to recall in this connection that we have just taken a vote on the second reading of a bill which had as its specific purpose the limiting of federal government expenditure in the area of medical care. If one is effectively to control the cost of expenditures by government in that sector and others in Canada, this kind of approach is necessary and we have to accept that there will be this tighter discipline. Speaking as an Ontario member, it

seems that the last people in this House who should be opposing that bill are Conservatives from Ontario.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): As the Minister of Finance, I would of course have been very pleased if it had turned our to be reasonably possible to provide for a considerably lower increase in our expenditures in the coming year. As Minister of Finance, however, I must also have a balanced concern for the welfare of our economy as a whole and for the welfare of the Canadian people, particularly those of lower income who have been most adversely affected by inflation. Imposition of sudden and severe restraints on the rise of government spending would have a shock effect on our economy, jeopardizing the fragile recovery now under way and seriously hurting many Canadians. To illustrate, let me point out that the estimates for next year include expenditures of $1.5 billion, to provide subsidies of direct benefit to Canadian consumers, for oil, flour and skimmed milk powder. If those subsidies were eliminated, the growth of government expenditures would not be 16 per cent but only 11 per cent. While the government would save a substantial sum of money, the cost of living of Canadians would also be substantially increased. The cost of gasoline and fuel oil to the consumer would go up by around 15 per cent to 18 per cent.

● (1640)

If we eliminated the subsidy on wheat consumed in CAnada, the price of bread could be expected to increase by anywhere from seven to nine cents a loaf. To shift that burden to Canadian consumers would undoubtedly be cosmetically attractive in terms of government spending, but I question whether it would contribute to the well-being of the Canadian people or the Canadian economy at the present time.

If we have learned anything from our experience of the past several years, it is surely that we should attempt to do everything possible to avoid sudden and drastic changes in policy which tend to have the effect of intensifying economic instability rather than reducing it. During the recent period of severe international turbulence we have succeeded fairly well in keeping the Canadian economy on an even keel. Today we are challenged by difficult problems, foremost among which is inflation. It was, and is, our conviction that we should deal with this and other related problems in a gradual way, over time, avoiding wrenching changes that would intensify stresses and strains in our country and jeopardize our prospects for the renewal of healthy economic growth.

The program we launched last October to restrain increases in prices and incomes is one of the important elements in the approach we have adopted to achieve that objective. I believe the changes proposed in the bill before the House today will contribute to strengthening that program by increasing both its fairness and its effectiveness, and I commend them to hon. members.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, as the first speaker from the opposition to reply to the Minister of Finance (Mr. Macdonald), I must take him up on his comments concerning inflation. As I understood him, he was trying to hint or infer that there had been a decline in inflation and that somehow this showed that the government's wage and price control program is working effectively. I would point out to him and to hon. members that the Conference Board of Canada recently reviewed the situation and had this to say:

> The moderation in the rate of advance of the consumer price index in December and January was due almost entirely to the decline in the food component of the index reflecting a softening in the prices of agricultural commodities. Since the latter are exempt from controls of the federal government's anti-inflationary program, it would be erroneous to attribute the better over-all performance of consumer prices to the control measures.

A similar view is expressed in the March issue of the Wood Gundy economic report which spends several pages reviewing the wage and price program. The report says that in spite of any figures which might look as though there is a moderation in the rate of inflation at the present time, unfortunately—it uses the word "unfortunately"—the link between the improvement and the controls is almost non-existent.

The Canadians are living through an economic experiment. We are the guinea pigs while the present administration follows a "touch and feel" system in running the economy. It was just three months ago that Bill C-73, the Anti-Inflation Act, was passed after extensive amendments by the Minister of Finance. Now the same minister is further amending his legislation in the bill before us today, Bill C-89. Granted, our present Minister of Finance inherited a dreadful mess from his predecessor. The year before Mr. Turner became minister of finance, in 1971, real growth in the economy was 6.9 per cent, inflation was 2.9 per cent, unemployment was 6.4 per cent, and the budget roughly balanced, as did our exports with imports.

In the year Mr. Turner left office—last year—real growth had declined to .2 per cent, inflation was running at 10.8 per cent, unemployment stood at 7.1 per cent, the budget was more than $5 billion in deficit, and so was our trade balance. Under Mr. Turner, the federal budget grew from $14.8 billion to $30.8 billion, an increase of 108 per cent in four years, or 27 per cent a year. In spite of these staggering increases, here we find Mr. Turner's successor, the present Minister of Finance, trying to justify before the House unreasonable increases in budgets and expenditures.

Now Mr. Turner is gone. How strange it is to hear his statement in Toronto only six months after his resignation from cabinet that a tighter fiscal policy is needed to overcome inflation. "An effort has been made to tighten fiscal policy", he stated, "but federal expenditures are still growing too fast." Though Mr. Turner has gone, I fear the real culprit responsible for our current problem is still with us, namely, the leader of the Liberal party, the Prime Minister (Mr. Trudeau). The Minister of Finance appears to be merely his water boy.

The main estimates for 1977 are up by 20 per cent compared with those for 1976. And this is called restraint! I would emphasize that the 16 per cent figure to which the minister has referred is not the figure derived from final estimates, but a figure comparing main estimates for 1977 with the last budgetary estimates for 1976. A much fairer comparison would be to compare main estimates with main estimates. But let us look at the history of this matter since Mr. Turner resigned last September. First, we got a new

Minister of Finance. On October 14 last, the present minister rose in the House and tabled a policy statement entitled "Attack on inflation: A program of national action". One might wonder why that program was so long in coming and why it took the form it did. Was Mr. Turner the obstacle? In any event, it is here, it is reality and we are being asked today to amend its pivot piece of legislation, Bill C-73.

Just what is this program so lately discovered by the leader of the Liberal party? The document begins by stating: "Canada is in the grip of serious inflation." There is no argument there. What is the substance of the dramatic proposal presented to us? It consists, we are told, of four major elements. It might be helpful to remind the House what those four major elements are, as set out here: first, fiscal and monetary policies aimed at increasing total demand and production at a rate consistent with declining inflation; second, government expenditure policies aimed at limiting the growth of public expenditure and the rate of increase in public service employment; third, structural policies to deal with the special problems of energy, food and housing, to ensure a more efficient and competitive economy and to improve labour-management relations; fourth, a price and incomes policy which establishes guidelines for responsible social behaviour in determining prices and incomes of groups, together with machinery for administering these guidelines and ensuring compliance where necessary.

What has happened? In December, the cold turkey, as it has been described, arrived in the form of regulations dealing with the fourth element in the so-called attack. Later, the leader of the Liberal party told us of his "new society" concept for Canadians. But what of the first three elements in the program? Let us look at the money supply. It increased between December, 1973, and December, 1974, by 16.7 per cent. This morning we were told in the finance committee that the money supply increased 23 per cent between December, 1974, and December, 1975. Some restraint! As any economist knows, expansion of the money supply at a rate faster than real economic growth is one of the prime causes of inflation. In short, the more money you print, the less it buys. On average last year our money system grew by 13.8 per cent, with real growth at .2 per cent. So is it any wonder we had 10.8 per cent average inflation for the year?

● (1650)

What I am saying is that not only is the money supply continuing to expand faster than real economic growth, but the rate of increase is escalating in relation to that real growth. Let us look at the government's own figures. Last February 23 the Parliamentary Secretary to the Minister of Finance (Mr. Trudel) replied to a written question at page 11152 of *Hansard*. In that answer he stated that the annual percentage increases between 1968 and 1975 in currency and demand deposits was as follows: 1968, 4.4 per cent; 1969, 7.4 per cent; 1970, 2.3 per cent; 1971, 12.8 per cent; 1972, 14 per cent; 1973, 14.4 per cent; 1974, 9.7 per cent; 1975, 13.8 per cent. Real growth in the economy for the same years was as follows: 1968, 4.9 per cent; 1969, 5 per cent; 1970, 3.4 per cent; 1971, 6.9 per cent; 1972, 5.8 per cent; 1973, 6.7 per cent; 1974, 2.8 per cent; 1975, 0.2 per cent. As the increases in our money system have grown, our real growth has fallen. Inflation has been the result.

In the past four years the average increase in our money supply has been 13 per cent per year, while our real growth has been 3.8 per cent. How forgetful Mr. Turner has become. He was the minister during this 13 per cent per year growth in money period, yet only last Monday, after asking what we must do to overcome inflation, he stated: "First, control the money supply. I believe the current stance of the Bank of Canada is sensible". But what is that stance? The governor of the Bank of Canada, backed up by the Minister of Finance, has said it intends to restrain the increase in our money system this year to a range of 10 per cent to 15 per cent; but in the last four years we have had an average increase of 13 per cent. So the bank is really saying we are to get more of the same, which is exactly the principal reason we have been having such high inflation.

In the United States in recent months they have been able to keep their monetary increase to between 5 per cent and 7.5 per cent, exactly half the projected program announced by Mr. Bouey. The United States appears to be beating inflation, while we are treading water. This morning the Minister of Finance said, to use his exact words, that it will be very difficult this year to get our money supply increase below 12 per cent.

In an article appearing in the January-February, 1976, *Canadian Tax Journal*, Mr. Lawrence B. Smith, professor of economics, department of political economy, University of Toronto, reviewed Canada's incomes policy. At page 73 he said: "If the rate of growth of the money supply remains high, say in excess of 12 per cent per annum, there is little likelihood that the program can succeed". In other words, according to Professor Smith the anti-inflation program will not succeed if the government allows a monetary increase in excess of 12 per cent this year. Yet the Minister of Finance says it will be difficult even to get down to a 12 per cent increase.

The real question before this House is: Will the present administration's program succeed without proper monetary and fiscal restraint? Speaking of fiscal restraint, Mr. Speaker, I should like to turn to the second element in the government's attack on inflation. The minister has made reference to the estimates that were recently tabled in this House and to the fact that the President of the Treasury Board (Mr. Chrétien) has talked about cutbacks in spending. Are these real cutbacks, Mr. Speaker? I think most members in their hearts realize that the cutbacks are nothing but a sham. It is like a man with two Cadillacs in the garage, and a $10,000 overdraft, who is being pressed by his banker to cut back. He says to the branch manager, "Okay, I won't buy the third Cadillac; I'll lease it and run it on regular gas".

As I have said, Mr. Speaker, the main estimates for 1977 are up another 20 per cent over the previous year. This increase can hardly be called restraint. As for the view of the leader of the Liberal party, he stated in that famous interview on December 28 that in the case of the government you will never bankrupt it, because it has only to print more money or borrow more money. What a frightening philosophy concerning the economy of this country! The way this government is going, there is no doubt they

will have us bankrupt, but they may not know where to file.

The third element in the attack does not appear to be generating much support. To take but one example, Mr. Speaker, how much do you think labour-management relations have been improved by the Anti-Inflation Board's "Yes, no; maybe so" approach? I could go on at length concerning the failings of the so-called attack on inflation, but I want to discuss in some detail the climate that the government has created which surrounds this program.

Mrs. Holt: The public like it.

Mr. Stevens: I suggest that rather than the public liking it, the public are confused. It is generally agreed that something has to be done about inflation. It is also agreed, however, that at few other times in history have the people been so aware of the presence of government in their lives. "Surely a government that is everywhere at once must be able to do something", is the sentiment one hears so much. Certainly the people wonder why the government is not doing something about inflation.

Government—and I mean all government—will be responsible for the expenditure of over 40 per cent of the gross national product in 1976. This is a staggering figure. Who cannot be aware of the omnipresence of the government, and who might not be led to believe that that omnipresence should be "omnicompetent"?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to interrupt the hon. member to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for New Westminster (Mr. Leggatt)—Supply and Services—Contract with Lockheed—Reason for failure to provide for short-term financing—Possibility of buying Canadian aircraft; the hon. member for Esquimalt-Saanich (Mr. Munro)—Administration of Justice—Reason Prime Minister can ignore request for public inquiry; the hon. member for Dartmouth-Halifax East (Mr. Forrestall)—National Defence—Request for list of bases to be closed—Effect of base closures on search and rescue.

[*Translation*]

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions (documents) and public bills.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. I recognize that our interest in the bill that is slated for this hour is a negative one. But even so, in order that the House might continue to consider Bill C-89 I would make the suggestion that private members' hour for today be surrendered and that we stay on the item we have been discussing.

• (1700)

Mr. Blais: On the same point of order, Mr. Speaker, in view of the importance and urgency of this particular legislation and in view of the optimism the minister feels relating to its passage this day, we would consent to giving up private members' hour in order to continue this debate.

Mr. Paproski: Mr. Speaker, it is my understanding that there has been no previous arrangement in this regard.

Some hon. Members: Oh, oh!

Mr. Stevens: Mr. Speaker, we certainly will not consent.

Mr. Deputy Speaker: Order, please. There does not seem to be consent, so we will proceed with private members' hour as listed on today's order paper, namely, private bills, notices of motions (papers), and public bills.

PRIVATE BILLS

[*English*]

CONTINENTAL BANK OF CANADA

The House resumed, from Thursday, March 11, consideration of Bill S-30, to incorporate Continental Bank of Canada, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, last Thursday I had just begun making some comments on the bill we have before us, namely, Bill S-30, which attempts to convert IAC—Industrial Acceptance Corporation—into a bank called Continental Bank of Canada. We in the New Democratic Party are opposed to IAC making this transition because of the kind of bill we have before us in which the company is seeking a number of exemptions from the Bank Act. We consider this to be highly irregular in the circumstances, especially from the point of view of why the Bank Act was set up and the fact that it is due to be amended in a year or so. We find it quite extraordinary that this finance company should try this route to incorporate into a bank.

The bill was first introduced in the Senate and had, I thought, rather rapid consideration there. It is now before us, and we want to give it very thorough airing before it moves from this chamber. We have proposed a number of amendments, and I should like now to give some of the background. I will deal with the specific one before us at this time. It should be remembered that IAC is the largest finance and consumer loan company in Canada. Its 1974 assets were some $2.04 billion. It owns Niagara Finance and a number of realty and insurance companies. It is a profitable company. Its 1974 profit was over $23 million, and in 1975 that profit increased to over $30 million, or a 30 per cent increase in one year.

IAC is seeking to move from what we might classify as the minor league to the big league in its attempt to become a bank. The reason is that IAC has pretty well expanded as much as it can under the present limitations that apply to companies of this sort. It is now restricted in the number of times it can turn over its money in the form of loans and mortgages, so it wants now to become a bank in order to get into the big league, a very profitable league indeed, I may say.

When we look at banks in Canada over the past few years, we see that because of higher interest and mortgage rates they have been doing very well. I do not blame IAC for wanting to join this league. What I do take issue with is the way they want to do it and the fact that they are attempting to gain exemptions from the Bank Act with which all other banks must conform.

When we look at the profitability of banks—and I am now looking at the first quarter increase in 1976 over 1975—we see that the Royal Bank had an increase of 31.6 per cent, the Commerce 54.1 per cent, the Bank of Montreal 50.7 per cent, the Bank of Nova Scotia 26.4 per cent, and the Toronto Dominion 26.7 per cent. That is just in the first quarter of 1976 over 1975. If we wanted to go back to the year previous to that we would find similar, but not as great, profit increases. We are concerned that if IAC is to get into that very profitable league we should make sure it abides by the rules. The point that also bothers me is that if Bill S-30 passes we are, in effect, going to create a tax shelter for IAC that may amount to anywhere from $40 million to $60 million over the ten-year transition period.

We have proposed a series of amendments, the first of which we are dealing with at this time. It is an attempt to make IAC conform to the Bank Act as it relates to directorships. Bill S-30 seeks to subvert that intent of the Bank Act. I should like to read the appropriate clause to illustrate that point. I will read clause 2(2) of Bill S-30. This concerns directors, and it reads:

> A director of IAC Limited is not eligible to be a provisional director of the bank unless he holds, as the absolute and sole owner thereof in his individual right and not as trustee or in the right of another, not less than 500 common shares of the capital stock of IAC Limited, and the requirement in subsection 10(2) of the Bank Act that a provisional director of a bank be a subscriber for stock of that bank does not apply to a provisional director of the bank.

We have moved to delete clause 2(2) in order to make IAC conform to the Bank Act. What the clause says in the bill is that in order to be a Continental Bank director one must have IAC stock rather than bank stock. The IAC directors automatically are provisional Continental Bank directors, but they do not have to conform to the Bank Act which says they be subscribers for stock of the bank. If this bill is passed as it stands, and our amendment is defeated, we will then find that IAC gets around the very important provision in the Bank Act concerning interlocking directorships. We see a number of dangers in this. It was set out in the Bank Act that there could not be these interlocking directors, for a very good and proper reason. If you had interlocking directors they could quite possibly have access to privileged information about the company's policies or financial status that could be manipulated in the marketplace to the advantage of the bank. This relates to one bank or another, and it is this that we are very much concerned about.

● (1710)

When we look at the list of directors of IAC we find some very interesting names in the "Who's who" of the economic world. We have the following directors: Mr. F. M. Covert, director, Royal Bank of Canada; Mr. J. S. Dewar, director, Toronto Dominion Bank; Mr. C. F. Harrington, chairman and director, Royal Trust; Mr. D. Kinnear, director, Bank of Montreal; Mr. L. A. Lapointe, director, Toronto Dominion Bank; Mr. Charles Rathgeb, director, Royal Bank of Canada; Mr. Renault St. Laurent, director, Banque Canadienne Nationale; Mr. Thackray, director, Bank of Montreal; Mr. Yorath, director, Montreal Trust Company; and Mr. Courtois, director and vice-president, Bank of Nova Scotia. Those are some of the directors. There are many other directors of IAC who are involved with other companies. I would draw the attention of the House to two famous directors and raise an interesting point in relation thereto. One is Peter F. Bronfman, of Bronfman fame. We have heard of the Minister of National Health and Welfare (Mr. Lalonde) taking trips on his plane in the past. We have Mr. Bronfman among the list.

Mr. Abbott: I rise on a point of order, Mr. Speaker. I am sure the hon. member would not wish to be inaccurate in his statement. The Mr. Peter Bronfman to whom he is referring is in no way connected with the ownership of the corporate jet to which he referred in his remarks. I think it is wise to correct this. Just because someone has the same name and is related does not mean that he should share the association—

Mr. Roberts: Guilt.

Mr. Symes: Thank you. I welcome the correction. We find that Mr. Peter F. Bronfman is the president of Edpar Investments. He is also chairman of Canadian Arena Company and director of Trizec. Also, we have among the list a Mr. E. J. Courtois who is a director of a number of companies, most notably Trizec. He is also president of Canadian Arena Company. I find it very interesting, as have a number of other people, including senators on the banking and finance committee in that House, as well as many members in our own House, that Canadian Arena Company is now known as Carena-Bancorp. Carena-Bancorp is a holding company for certain Bronfman family trusts.

It is very interesting that Carena-Bancorp, prior to its becoming public knowledge that IAC wanted to become a bank bought a significant number of shares in IAC. The Senate Committee looked at that in some detail. One of the senators thought it was rather coincidental and asked if there was any prior knowledge on the part of Carena-Bancorp, because there were interlocking directorships here, of IAC's intention to convert to a bank. This was denied. I raise the example to illustrate that the reason we have a Bank Act is to ensure that we do not have these interlocking directorships and to allay public suspicion that directors can take advantage of inside knowledge of the affairs of financial institutions. The bill before us will permit those kind of interlocking directorships for a period of up to ten years. We think this is a very dangerous precedent and one which could raise many suspicions in the minds of the public, let alone the financial world, that these kind of dealings go on, the kind of dealings that are prohibited by the Bank Act in respect of other banks.

There is the suggestion that this might be going on in respect of this company which is receiving special exemptions under this bill in respect of the Bank Act. It is our contention that if IAC wants to convert to the continental bank, it must follow the same rules that must be followed by any other finance company that wants to become a bank, or at least wait for the revision of the Bank Act so that we can conduct a full public hearing in this chamber to make sure that the public interest is upheld.

So I strongly urge the members of this chamber to support our amendment so that this kind of special, cozy relationship will not be allowed to continue in respect of a company that is seeking to become a very powerful bank in this country. I think it is in the public interest that we have a very close scrutiny of this bill. This is why my colleague, the hon. member for Waterloo-Cambridge (Mr. Saltsman), proposed the amendment we have before us, so that the provisions of the Bank Act may be upheld and the public interest maintained. For these reasons, I cannot support the bill and urge my colleagues to accept our amendment concerning directorships.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, this is the first time I have spoken on this matter. I believe somebody in this House should register a very strong protest against the NDP for delaying the incorporation of this bank. Surely, in this country, which has only ten banks, and of that number five are extremely large, there is room for another bank. I think the House of Commons should be the last place in which to start delaying the incorporation of a bank. When I say we have ten banks, we should bear in mind that the United States has 14,000 banks, and here we have the NDP—which likes to tout itself as the great defender of the small people, the working people and whatever they get some mileage in—standing up here defending the ten incorporated banks in this country. I think they should declare their interest. What bank are they protecting? Which banking operation today is the NDP trying to ensure will not be in competition with this new bank?

You will recall, Mr. Speaker, that the former minister of finance proposed to introduce a bill to provide for the incorporation of banks by letters patent. Personally, I am sorry the government did not have the courage to go ahead with that legislation and end this farce which periodically occurs in this House, namely, the incorporation of banks by special acts then the NDP rump group such as we have here today would not delay the incorporation of a bank which I suggest is needed in this country. Certainly, the idea that we cannot have another new bank in this nation is ridiculous.

● (1720)

Let us face it. If you analyse the arguments that are being raised by the NDP members, you find it is all fluff, it does not mean anything. Surely it is preferable, if a finance company in this country, be it IAC, Traders or a trust company, wish to incorporate in the form of a bank, that they should be encouraged, not discouraged.

Mr. A. C. Abbott (Mississauga): Mr. Speaker, I want to say very briefly that I think this is one of the first times since I have been here that I have had reason to agree with

the hon. member for York-Simcoe (Mr. Stevens). I believe that we should stop to consider that IAC is seeking certain transitional provisions which at the committee stage were not regarded as unacceptable. Those that were, were amended. Having arrived at this stage, with the prospect of the transition from a finance company to a bank frustrated arbitrarily by the NDP, it does lend a great deal of credence to the comments of the hon. member for York-Simcoe.

We are not talking about a fly-by-night outfit. This is a company which was established 50 years ago. It has become the largest independent sales financing company in Canada. It has 200 branches; it has consolidated assets of almost $2.3 million; it has a respected management and a respectable board of directors. As the hon. member said, this company comes to the House to become incorporated through a rather antique procedure. Normally, other corporations do not receive any scrutiny because they go through in a businesslike fashion. If they fail to meet the regulatory standards set out by law, they suffer the consequences.

I do not wish to take up the time of the House. I am not really prepared, because I am standing in today for the hon. member for Kenora-Rainy River (Mr. Reid). I only want to say that I think it is deplorable to see a bill of this sort, which has gone through second reading and the committee stage, being treated in this fashion. If the NDP had honestly felt strongly about these motions, surely we would have heard some of them at the committee stage. The hon. member who introduced them appeared on the last day of the committee hearings and registered one or two points at that time. Now he is using this stage to obstruct the bill in this frivolous and vexatious fashion, simply to frustrate this respectable company's attempts to become a strong member of the Canadian financial community. I think it is disgraceful and it does a disservice to parliament and to the financial community of this country.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker—

Mr. Peters: Tell us about the little people.

Mr. Nystrom: I have decided on the contents of my speech, having listened to the hon. member for York-Simcoe (Mr. Stevens). He referred to the little people in the IAC company. I want to speak for 20 minutes this afternoon about the little people, because I think it is very pertinent to put on the record the directors of IAC and of other companies in which they are involved and because we are discussing an amendment which deals with directors. Therefore, it is very important that we talk about interlocking directorships. What are the interests of people who direct and control IAC? I want to take a few minutes to put on the record the companies of which they are directors, so that when people read the annals of this debate they will see who owns the company. When the hon. member for Sault Ste. Marie (Mr. Symes) spoke, he mentioned some of this, but I submit he just touched the tip of the gigantic iceberg.

I will start with a fellow named Lyndon E. Nichol. He is chairman of IAC, director of Merit Insurance Co., director of Niagara Finance Co. Ltd., and director of Sovereign Life

Assurance Co. of Canada. He lives at 5 Bachelor Place, Willowdale, Ontario.

Second, we have the vice-chairman of IAC, Mr. Keith H. MacDonald. He is director of the following companies. He is the little man to whom the hon. member for York-Simcoe referred—a poor, poverty-stricken Canadian. I will give you the directorships which this little man, Keith MacDonald, holds. He is vice-chairman of the board. He is director of the American Sterilizer Co., the Boiler Inspection and Insurance Co. of Canada, Canada Permanent Mortgage Corp., Canada Permanent Trust Co., Merit Insurance Co., Niagara Finance Co. Ltd., the Sovereign Life Assurance Co. of Canada, Uniroyal Ltd., Zeller's Ltd., Roads and Transportation Association of Canada, Toronto Symphony, and International Road Federation, Washington and Geneva. This is one of the little men referred to by the hon. member for York-Simcoe. I would not have spoken if he had not angered me, so I must continue. The vice-chairman, Keith MacDonald, is also a member of the advisory board of the Better Business Bureau of Canada. His home address is 32 Suncrest Avenue, Don Mills, Ontario. There is much interlocking of directorships there.

I should now like to go to the next fellow, who is Joseph Stephen Land. He is director of Niagara Finance Co. Ltd.

Mr. Deputy Speaker: Order, please. The hon. member for Lachine-Lakeshore (Mr. Blaker) wishes to rise on a point of order.

Mr. Blaker: I have a great deal of respect for the comments that were made by the hon. member for Yorkton-Melville (Mr. Nystrom). I appreciate his comments with respect to the expansion of the banking industry, although my opinions differ from his and those of his party in that regard. But I wonder whether the hon. member is making a point with respect to the banking bill when he reads out the names of the board of directors of the proposed bank, and whether that is relevant to the bill before us.

An hon. Member: We are glad you asked that.

Mr. Deputy Speaker: Although I must say that some of the comments by participants in the debate did not relate to the motion before us, the hon. member speaking about the directorships is right on the subject matter of the amendment before the House at this time, which concerns the directorship of IAC.

Mr. Nystrom: Mr. Speaker, I am speaking directly to the amendment. I will not waver from my amendment for the rest of the 20 minutes allotted me.

An hon. Member: Where is Sinc Stevens?

Mr. Nystrom: I guess we scared him off. The next man I want to talk about is Joseph Stephen Land, president of IAC. As I said, he is director of Niagara Finance Co. Ltd., the Sovereign Life Assurance Co. of Canada, Merit Insurance Co., Sovereign Mortgage Insurance Co., the Canborough Corp., International Capital Corp., Merit Plan Finance and Discount Corp. Ltd., Capital Funds (IAC) Ltd., IAC Business Development Fund Ltd., Premier Property Ltd., and Royal Trust Co. I thought we were incorporating a new bank. Here is a very interesting interlocking. These are the people who want special privileges. I wonder why? I shall have to look into their background to see why they want special privileges. I am only just beginning, Mr. Speaker. Mr. Land lives at 9 Darlingbrook Crescent, Islington, Ontario.

• (1730)

Next is a poor man referred to by the hon. member for York-Simcoe, Douglas W. Maloney. He is the executive vice president of IAC.

An hon. Member: A small shareholder.

Mr. Nystrom: He is a small shareholder. He is also a director of four other corporations: Merit Insurance Co., Niagara Finance Co. Ltd., Sovereign General Insurance Co., and Sovereign Life Assurance Co. of Canada, and he lives in Toronto. Mr. Speaker, John Turner already has more directorships than this poor fellow. I feel sorry for this poor capitalist if he is one of the last we have.

Next is Ronald Laird Cliff, director of IAC.

An. hon. Member: Which riding?

Mr. Nystrom: I do not know. He lives on Avenue Road, Toronto. He is chairman of Inland Natural Gas Co., Ltd., chairman of Tenco Distributors Ltd., and chairman of Canadian Aircraft Products Ltd. Mr. Speaker, this man is a little bit bigger than the last. He is president of Western Finance Co., Ltd., and president of British Columbia Transformer Co., Ltd. He is a director of Balco Industries Ltd.; director, Bramalea Wescorp Developments Ltd., director, Burrard Dry Dock Co. Ltd.; director, Canada Wire and Cable Co. Ltd.; director, Cornat Industries, Ltd.; director, Coronation Credit Corp.; director, Wescorp Industries; director, Riftow Staits Ltd.; director, Morrison Steel and Wire Co. Ltd.; director, Noranda Metal Industries, Ltd.; director, Sun Publishing Co. Ltd.

An hon. Member: Why is he not president?

Mr. Nystrom: Because he is president of two other companies. He is also a director, Pacific Press Ltd.; director, Johnston Terminals Ltd., and director, Okanagan Helicopters Ltd. He is also a member of the Advisory Board National Trust Co. He lives in Vancouver, British Columbia. I do not know how many directorships he holds. I do not know if anyone can count that high.

Now I am coming to some really poorer people referred by the hon. member for York-Simcoe. Frank Manning Covert, Q.C., director. He is a partner in Stewart MacKeen & Covert. He is chairman and president of Ben's Holdings Ltd., and president of three other companies, the Great Eastern Corp., Ltd., Maritime Paper Products, Ltd., and Ben's Ltd. He is assistant secretary and director of Maritime Steel and Foundries Ltd., director, Petrofina Ltd.—that sounds suspicious—director, Phoenix Assurance Co. of Canada; director, Royal Bank of Canada; director, National Sea Products; director, Minos Basin Pulp and Power Co. Ltd., director, Canadian Keyes Fibre Co., Ltd., director, Sydney Engineering Dry Docks Co., Ltd., director, Home Care Properties Ltd., director, Eastern Telephone and Telegraph Co.; director, Acadian Lines Ltd.; director, The Molson Companies Ltd.; director, Standard Brands Ltd.; director, Trizec Corp. Ltd.; director, Canning Investment

Corp. Ltd.; director, Sun Life Assurance Co. of Canada, and governor of Dalhousie University. He lives in Halifax, Nova Scotia.

The next director of IAC and one of the people asking us to do something special for his company, to make it into the Continental Bank, is John S. Dewar. This man is quite powerful. He is president of Union Carbide Canada Ltd.; president, Union Carbide Canada Mining Ltd., and president of Dominion Viscoe Products Ltd. He is a director of Manufacturer's Life Assurance Co.; director, Toronto Dominion Bank, another interesting directorship; and director of Ralston Purina of Canada Ltd. He is governor of the Ontario Research Foundation. Mr. Speaker, I do not wish him any personal ill will; I wish him well, but not more financial wealth and no special privileges.

The eighth director is Conrad Harrington. He is chairman of the Royal Trust Co.; chairman, the Royal Trust Co. Mortgage Corp.; chairman, Redpath Industries Ltd., and chairman of Glaxco Canada Ltd. He is a director of R. L. Crain Ltd.; director, Gerling Global Life Insurance Co.; director, M. P. G. Investment Corp. Ltd.; director, Consumers Glass Co. Ltd., and director, Stone and Webster Canada Ltd.

This is a beautiful corporate society, a free enterprise society of Liberal and Conservative bodies. There are so many of them and they are so interlocked in that big corporate family.

To return to Mr. Harrington, he is a trustee of BM-RT Realty Investment Ltd., chairman of the Salvation Army, governor of McGill University, and life governor of Trinity College School. He lives in Montreal.

Peter Kilburn is chairman of Greenshield Inc. He is a director of Imasco Ltd.; director, Ritz Carleton Hotel; director, Sicard Inc.; director, Merit Insurance Co.; director, the Mortgage Insurance co. of Canada; director, Niagara Finance Co. Ltd.; director, Stanton Pipes Ltd.; director, Weyerhauser Canada Ltd., and director of Zeller's Ltd. He lifes in Montreal's west end—not the east end where the ordinary working people live.

Mr. Knowles (Winnipeg North Centre): He is a neighbour of the Prime Minister (Mr. Trudeau).

Mr. Nystrom: I think from the address he lives in the riding of the Minister of Public Works (Mr. Drury). That may be of interest to Liberal backbenchers.

Next is David Kinnear, vice chairman of the Bank of Montreal, that poor little people's corporation. He is a director of Canadian Pacific Ltd.; director, The T. Eaton Co., Ltd.—I wonder what he did about the closing of the sales catalogue company. He is a director of the T. Eaton Acceptance Co., Ltd.; director, Eaton Financial Services Ltd.—I cannot believe this, Mr. Speaker—he is also a director of Eaton's of Canada, Ltd., and a director of Eaton Viking Fund. I had better tell the hon. member for Moncton (Mr. Jones) about this man. He is also director of T.R.I. Holdings S.A.—whatever that means.

An hon. Member: South Africa.

Mr. Nystrom: He is a trustee of Heitman Canadian Realty Investors.

Mr. Deputy Speaker: Order, please.

[Mr. Nystrom.]

Mr. Nystrom: I have scared one out of the woods.

Mr. Deputy Speaker: The hon. member for Mississauga (Mr. Abbott) on a point of order.

Mr. Abbott: Mr. Speaker, I regret to have to interrupt the infantile and ignorant remarks of the hon. member. Presumably the reason for the recitation of the directors is that he is going to come out with some message concerning interlocking directorates. Because he did not show any interest in this bill, nor did his colleagues, at the committee stage, he is unaware that the committee amended the bill to provide that the interlocks that might exist in contravention of the act will be removed prior to the Inspector of Banks giving the licence for the commencement of business.

Mr. Nystrom: We are talking about the interim period. If I have time after reading this list I will get into my precise recommendations.

Mr. Trudel: You have not read the bill. That is what you should have started with.

Mr. Nystrom: I think I said the last man came from Toronto.

Mr. Peters: Naturally. Why the intervention?

● (1740)

Mr. Nystrom: The eleventh director is to be Louis A. Lapointe.

An hon. Member: From Gravelbourg, Saskatchewan?

Mr. Nystrom: He is not from Gravelbourg, Saskatchewan. He is from Montreal. As I said, the eleventh director is to be Louis A. Lapointe, Q.C. He is chairman of Miron Co. Ltd.; a member of the Canadian advisory board, Commercial Union Assurance Group, and director of Alliance Compagnie Mutuelle d'Assurance Vie; Brascan Ltd.; Cinévidéo Inc., which sounds Spanish; Genstar Ltd.; Goodyear Tire & Rubber Co. of Canada Ltd.; Hilton of Canada Ltd.; Inter City Papers Ltd.; International Paints (Canada) Ltd.; Rio Algom Mines Ltd.; Ronald Federated, the Toronto Dominion Bank and Trizec Corp., Ltd. It is important to note that he is a director of the C.D. Howe Research Institute, and lives on St. Catherine Street, Montreal.

Mr. Benjamin: Another welfare case.

Mr. Nystrom: Number twelve is Paul Paré, chairman of Imperial Tobacco Products Ltd., president of Imasco Ltd., and director of Canadian Pacific Investments Ltd.; Canadian Pacific Ltd.; Canron Ltd., and Royal Bank of Canada. He is a governor of the Montreal General Hospital, and of the Olympic Trust Fund. Perhaps we ought to look into the last appointment mentioned on another occasion. He is also a director of St. Mary's Hospital. He too lives in Montreal.

The thirteenth director is to be Mr. Charles J. Rathgeb, chairman of Comstock International Ltd., and director of Algoma Steel Corp. Ltd.; T. G. Bright & Co. Ltd.; Canadair Ltd.; Liquid Carbonic Canada Ltd.; Newconex Holdings

Ltd.; Royal Bank of Canada; Olympic Trust of Canada; the Canada Committee, and Rathgeb Foundation. He lives in Toronto.

How is it that most directors live either in Toronto or Montreal? And they do not live in the poorer parts of Montreal or Toronto.

The fourteenth director is Renaut St. Laurent.

An hon. Member: What's the point of this?

Mr. Nystrom: Apparently some Liberals and Tories are upset because we are talking about people who want special privileges.

Mrs. Holt: That's typical of a socialist.

Mr. Nystrom: Yes, I am a socialist, and proud of it. Mr. St. Laurent, among other things, is a director of Merit Insurance Co. Ltd.; Anglo Canadian Pulp & Papers Mills Ltd.—

Mr. Deputy Speaker: Order, please. I regret interrupting the hon. member, but his time has expired. He may continue if he has unanimous consent of the House. Does the House give unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: Apparently there is not unanimous consent. The hon. member for Timiskaming (Mr. Peters) is recognized.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I find this list of directors extremely interesting. The fourteenth director is to be Renault St. Laurent, who comes from the family of Louis St. Laurent, the former Prime Minister of Canada.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I rise on a point of order. I may not have heard Your Honour, and I wonder whether the hon. member for Timiskaming (Mr. Peters) was recognized by the Chair before he started speaking.

Mr. Knowles (Winnipeg North Centre): Yes, he was recognized.

Mr. Deputy Speaker: He was recognized. I do not know if he heard the Chair recognizing him, but he has the floor now.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I rise on a second point of order. The hon. member for Yorkton-Melville (Mr. Nystrom) handed his list to the hon. member for Timiskaming. Are serial speeches allowed in this House?

Mr. Nystrom: Hon. members refused to extend my time.

Mr. Deputy Speaker: Order, please. The hon. member knows the Standing Orders. An hon. member may not be repetitious and should not read his speech, but may say what he wishes so long as it relates to the subject matter before the House.

Mr. Peters: Mr. Speaker, if the hon. member wishes to speak, I shall cede him the floor. As that is not likely I shall continue referring to my list. Mr. Renault St. Laurent is director of Merit Insurance Co. Ltd., Anglo Canadian Pulp & Paper Mills Ltd., Banque Canadienne Nationale, and Sicard Inc. It seems to me that many of the corporations in which we are interested are good friends of certain members of this House. I will stop reading the list if I find that these corporations are among my friends. As they are not friends of mine, I shall continue. Mr. St. Laurent is also director of Imperial Life Assurance Co. of Canada; Scott Paper Ltd.; Home Oil Co. Ltd.; Gaz du Québec Inc.; Villa Medica Inc.; Rothmans of Pall Mall Canada Ltd., and Carling O'Keefe Ltd.

Mr. Benjamin: How about putting a bank in a brewery?

An hon. Member: Now you're talking.

Mr. Peters: He lives in Quebec.

The fifteenth director is James C. Thackray, executive vice-president of Bell Canada. Why is he mixed up with a bank? He should devote all his time to Bell Canada. He is a director of the Bank of Montreal; Bell Northern Research Ltd.; Maritime Telegraph & Telephone Co. Ltd.; Northern Telecom Co. Ltd., which used to be Northern Electric, I think; Tele Direct Ltd., and Union Carbide of Canada Ltd.

An hon. Member: Is he Canadian?

Mr. Peters: Mr. Speaker, I apologize for not being able to answer the hon. member. I do not have his pedigree in front of me. He lives in Westmount, Quebec.

The sixteenth director is Denis K. Yorath, vice chairman of IU International Corp., chairman of MisMat Corp. Ltd., and director of Alberta Power Ltd.; International Utilities Petroleum Corp.; Montreal Trust Co.; The Commercial Life Assurance Co. of Canada; Canadian Utilities Ltd.; Canadian Western Natural Gas Co. Ltd.; Northwestern Utilities Ltd.; The Halifax Insurance Co. Ltd., and Echo Bay Mines Ltd. He lives on 131 Street in Edmonton, Alberta.

● (1750)

The seventeenth director is Stanley F. Melloy, executive vice-president, finance; president, Capital Funds (IAC) Limited and of Capital Funds (IAC) Ontario Limited; director, International Capital Corporation Limited; Niagara Finance Company Limited; Niagara Realty of Canada Limited; Premier Property Limited; The Sovereign Life Assurance Company of Canada. This poor little man lives in Islington, Ontario. I see he has covered them all. He gets them in insurance, finance, when they buy a house, and when they die. If he is a small person, I will be surprised.

No. 18 is R. E. Campbell, senior vice-president, who is president of Premier Properties Limited; vice-president and director, Capital Funds (IAC) Limited; Capital Funds (IAC) Ontario Limited; IAC Business Development Funds (Canada) Limited; IAC Business Development Fund Limited; Merit Plan Finance and Discount Corporation Limited; Western Acceptance Corporation Limited; director, Commercial Contracts Limited; Merit Insurance Company; Niagara Finance Company Limited; SDI Associates Limited. He lives at 61 Ballial Street, Toronto.

Continental Bank of Canada

When I hear all this, I wonder how these people ever write off their income tax. They must travel extensively. I feel sorry for them. They become small, not in the sense that the hon. member for York-Simcoe (Mr. Stevens) mentioned, but in another sense, the little people.

No. 19 is, François P. Paradis, senior vice-president, who is vice-president and director Premier Properties Limited; vice-president, Niagara Realty of Canada Limited; director, Capital Funds (IAC) Limited; IAC. Business Development Funds (Canada) Limited; IAC. Business Development Funds Limited; Merit Insurance Company; The Sovereign Life Assurance Company of Canada; Trustee, BM-RT Realty Investment. His home is at 85 Thorncliffe Park Drive, Toronto.

No. 20 is, Allan P. Bolin, senior Vice-President. His home is at 96 Ravebsbourne Crescent, Islington, Ontario.

No. 21 is, L. Guy Gravel, vice-president, Ontario Division. His home is at 26 Skyview Crescent, Willowdale, Ontario.

No. 22 is, W. E. Hoddinott. I apologize, Mr. Speaker. I do not know how to pronounce it. I have never seen the word before. It is rather difficult speaking only one language. He is a vice-president and lives at 126 Edenbridge Drive, Islington, Ontario.

No. 23 is, N. Vincent Keyes, a vice-president. He lives at 1494 West, 40th Avenue, Vancouver. I wonder if he is related to the Keyes who used to be a member of parliament.

Mr. Muir: No; he and I loaded coal together in Cape Breton.

Mr. Peters: No. 24 is, W. McCraken (Elwood), vice-president, administration. He lives at 7 Tullamore Drive, Willowdale, Ontario. You will note, Mr. Speaker, that all these poor people live on either drives or crescents. I do not even live on a street. In fact I am on a rural route.

No. 25 is, Raymond K. Jackson, vice-president; vice-president and general manager, IAC Capital Fund Division; Capital Funds (IAC) Limited; Capital Funds (IAC) Ontario Limited. He lives at 1250 Cloverdale Crescent, Mississauga, Ontario.

No. 26 is, J. Y. Buchanan, vice-president. He lives at 105 Davisville Avenue, Toronto.

No. 27 is, W. P. Davidson, vice-president; vice-president and director, Capital Funds (IAC) Limited; IAC Business Development Funds, Limited; IAC Business Development Funds Canada Limited; vice-president, Capital Funds (IAC) Ontario Limited; IAC Business Development Funds (Ontario) Limited. He lives at 40 Proudbank Millway, Willowdale, Ontario.

No. 28 is, Brian Fraser London, vice-president; president, Niagara Finance Company Limited; Niagara Realty Limited; Niagara Realty Canada Limited; director, Maritime Publishing Limited; Premier Property; governor, Ontario Research Foundation.

Mr. Abbott: Mr. Speaker, I wonder whether the hon. member will permit a question. It is in the nature of a request. Would he be good enough to table his remarks and those of his predecessors because these important facts may be lost to us.

Mr. Peters: Yes, Mr. Speaker, because the translation of my pronunciation of some of the names would make it difficult if done otherwise. I would be prepared to table the remainder without reading them, if this is the wish of the hon. member.

Some hon. Members: Carry on.

Mr. Peters: No. 29 is, W. J. Van Wyck, vice-president, credit. He lives at 505, 355 St. Clair Avenue West, Toronto.

Then there is Claude R. Stewart, secretary; secretary; Niagara Finance Company Limited; Niagara Realty Limited; Niagara Realty Canada Limited. His home is at 1622, 400 Walmer, Toronto. I thought we were talking about IAC. This is Niagara Realty.

Next we have S. S. Ilaqua, treasurer; director, Bruck Mills Limited. His home is at 10 Blaine Drive, Don Mills, Ontario. Janos J. Tors, comptroller. He is "unknowed". R. Hemond, vice-president. He is also "unknowed". The source for all this is the "Directory of Directors, 1975, Financial Post." You Honour can see why the interest of all members is so high in the directors of this corporation. It is because of their widespread interests. May I call it six o'clock, Mr. Speaker.

Mr. Deputy Speaker: The hour appointed for the consideration of private members' business having expired, I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

ANTI-INFLATION ACT

MEASURE TO ADD NEW DEFINITIONS

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-89, to amend the Anti-Inflation Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, before the dinner recess I was saying that in considering the bill before us we must take a look at the over-all program which the government announced under the description of an anti-inflation program; I was pointing out that at the time of the announcement on October 14 last the government stated there were four parts to this program. I was commenting on certain of these parts and indicating that in many ways the government had not been acting with proper restraint.

I have already referred to an article by Lawrence B. Smith, professor of economics at the University of Toronto. In the article entitled "Canada's Incomes Policy: An Economic Assessment" appearing in the "Canadian Tax Journal" for January-February 1976 he reviews the program in some detail. On page 72, he asks:

Will the incomes policy succeed?

He goes on to say:

As mentioned above, the success of the incomes policy ultimately hinges on the implementation of the correct demand restraining monetary and fiscal policies. If the government is serious about combatting inflation then it must reduce its rate of monetary expansion and it should significantly restrain its expenditures. Consequently we should expect the incomes policies to be accompanied by considerable monetary and fiscal stringency.

Professor Smith goes on to state:

However, it is not clear that this will occur. First, in its policy statement "Attack on Inflation", the government quotes from its June 23, 1975 budget that "in its present cost-push form, inflation threatens" to create serious problems. But our inflation is not a cost-push inflation; rather it is a demand-pull inflation in its second stage created by excessive monetary and fiscal ease. If the government persists in incorrectly diagnosing the problem there is little likelihood it will introduce the necessary demand-restraining policies. Second, the government claims in its policy paper that it is setting in motion "monetary policies aimed at increasing total demand and production at a rate consistent with declining inflation", yet for the three months ending November 30, 1975 the money supply broadly defined rose 21.9 per cent, up from 8.8 per cent in the second quarter and approximately double the rate consistent with its own target rate of inflation for 1976.

I mentioned earlier that in our standing committee, this morning, Mr. Hood, the Deputy Minister of Finance, stated that from December, 1974, to December last the increase in the money supply in this country was 23 per cent.

Professor Smith goes on to say:

If this is the result when the government perceives itself to be acting, the outlook is bleak. Third, the government states in its policy paper that government expenditure policies will be "aimed at limiting the growth of public expenditures and the rate of increase in public service employment". The policy paper then adds that a "very large proportion of the federal government's expenditures are made under statutory programs, and other arrangements where there is little flexibility". Thus, it appears the government is only paying lip service to the issue and is more concerned with justifying inaction than in taking action on the expenditure side. Fourth, the government in its policy paper refers to structural policies to combat inflation. But structural problems, while important because of their effect on relative prices, do not significantly affect the rate of inflation and hence concern with them deflects from the main problem. Fifth, there is a very great danger that the government will deceive itself into believing it has taken action to curb inflation by introducing an incomes policy and thus feel it less urgent to implement the appropriate monetary and fiscal restraint. For all these reasons there is a very great danger that the incomes policy will fail and worsen our economic problems.

● (2010)

I refer to what Professor Smith said, Mr. Speaker, because sometimes we politicians, when we enunciate what economists have been saying, are thought to be suspect. In my case I am a member of the opposition. But believe me, one issue that most economists are agreed upon is that, if we cannot have more monetary and fiscal restraint in this country, there is absolutely no way that a wage and price control program is going to work. We must be candid with ourselves and the Canadian public, and quit pretending otherwise.

Faced with Bill C-89, I ask myself whether the government is persisting in some kind of window dressing. Is it consistently trying to create the impression that it is doing something about inflation, while indirectly, through its own spending and excessive increases in the money supply it is seeding further inflation in the country beyond all expectations at this time?

Before private members' hour I was referring to the size of government and its great power to tax and spend. In view of the great number of government employees it is obvious that the government is the biggest of the big businesses. It writes the rules, it prints the money. What I am leading up to, as if hon. members could not imagine, is that in accepting guidelines we must ask ourselves where the government truly stands on the matter of inflation. We all know what John Turner had to say last June. He said we did not need controls. He felt the nation did not need controls. He said this week that controls should not be retained one day longer than is absolutely necessary to achieve their limited purpose. Obviously Mr. Turner is out of step with the philosopher king, who had another plan in mind.

What is the position of the Minister of Finance (Mr. Macdonald), who reluctantly accepted that portfolio at a time when he was considering leaving politics? Before the controls were announced he described them as "frightening", and believe me, Mr. Speaker, he was right. In January the minister said that perhaps the controls will have to end between their second and third anniversaries. Is this still his view? Perhaps when this matter is being debated in committee we will find out more definitively from the minister when he sees these controls ending.

More important though than when the Minister of Finance sees the controls ending is the question: when does the philosopher king believe the controls will end? We all know what the philosopher king said on December 28 and on January 19. If we really knew what he meant we would all know where this country is headed. However, the whole success and credibility of controls depend upon what the people of Canada think. How does the average Canadian, who will never read the AIB regulations, view the program? Does the government's approach to fighting inflation have credibility with the people of Canada?

My quick response, Mr. Speaker, is that it does not, but it could. I base this on my discussions with Canadians from coast to coast. When you were growing up, Mr. Speaker, your father might have told you not to smoke, that it was not good for you, while at the same time he sat there puffing on his pipe. Or your boss may have said that you had to work hard to get ahead in this world, while he took off early for a round of golf. As a result we quickly learned the hypocrisy of "Do as I say, not as I do". I am sure each of us has encountrered this contradiction which makes growing up very difficult. It raises simple questions about moral values. Behaviour is something that is learned by emulation, not paternal edict.

That is my indictment of the present administration's approach to fighting inflation. While big business and small business, big unions and lowly office workers, trained professionals and struggling entrepreneurs are instructed to expect less and to settle for less, government exempts itself from the same controls. Indeed, we live in a

new society where there is one set of rules for us and another set of rules for the present administration. I think this is morally wrong. I think this more than anything undermines the credibility of the anti-inflation program.

"Do as I say, not as I do" appears to be the creed of the present administration. Surely, Mr. Speaker, this type of thinking is shown up so clearly in the judge's affair that is now before us. What administration at a senior level of government in Canada other than this administration would be allowing cabinet ministers who have acted illegally to carry on in their posts?

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

Mr. Paproski: Now take it easy, Marc.

Mr. Lalonde: The hon. member made reference to cabinet ministers who have acted illegally. I think that raises a very fundamental question of privilege. I invite the hon. member to specify which ministers he has in mind, or completely withdraw the charge. I am not raising this question of privilege on a facetious basis, Mr. Speaker; I certainly want a ruling on this.

Mr. Guay (St. Boniface): Withdraw.

Mr. Stevens: Mr. Speaker, I am very pleased that the Minister of National Health and Welfare (Mr. Lalonde) has—

The Acting Speaker (Mr. Turner): Order, please. I do not believe the hon. member made any specific charge. He did not name a specific minister.

Mr. Guay (St. Boniface): It was a broad statement.

Mr. Lalonde: On the question of privilege, Mr. Speaker, by referring to ministers generally the privileges of all ministers of the government are affected. I think the hon. member has made a very serious charge and he should be challenged either to withdraw it or be specific. Certainly I intend to pursue it if the hon. member does not withdraw it.

Mr. Stevens: Mr. Speaker, I am very pleased that the hon. minister has raised this point. This is why we want a public inquiry into this affair.

Some hon. Members: Hear, hear!

Mr. Stevens: Let us find out who is right. It is often contended that government spending cannot be cut.

The Acting Speaker (Mr. Turner): Order. The Parliamentary Secretary to the President of the Privy Council (Mr. Blais).

Mr. Blais: Mr. Speaker, I heard the representation made by the Minister of National Health and Welfare (Mr. Lalonde). Evidently the hon. member for York-Simcoe (Mr. Stevens) is not ready to withdraw. If your Honour is not ready to make a ruling—

Mr. Paproski: He already has.

[Mr. Stevens.]

Mr. Blais: —I hope you will reserve further comment so as to protect the obligation that the minister has to raise his question of privilege at the first opportunity. If the minister wishes to raise the matter further, then at the time he raises it I hope the Chair will take into consideration that the question of privilege has been raised now seriously, that Your Honour has heard him, and would wish to hear further representations.

● (2020)

The Acting Speaker (Mr. Turner): Order, please. I would suggest that the hon. member should not impute motives in that way, and that we get back to Bill C-89.

Mr. Stevens: Mr. Speaker, I was saying it is often contended that government spending cannot be cut. What will be cut—pension payments, welfare assistance, family allowances, or funding of bilingualism? No, these are sacred cows. Surely if you are forced to make hard decisions in your life or in your business to live within the tightness of the guidelines, then why cannot the government face up to the same hard decisions?

You will recall that when Bill C-73 was being passed in this House we moved an amendment that would have required the government to stay within the 8 per cent ceiling as far as its expenditures were concerned in the fiscal year 1977. We were voted down on that measure. I suggest that when we were voted down on that 8 per cent ceiling, the same ceiling the government expects every wage earner in this country to accept, the government showed its true style as far as its intention in respect of restraint is concerned.

The federal government alone now spends more than $30 billion a year. It is budgeting a 15 per cent increase, or another $4.5 billion during the next fiscal year. I find it incredible that somewhere in that $30 billion, somewhere in that $4.5 billion increase, there is not ample opportunity to make some hard pruning of government spending.

In this connection the insincerity of the federal government's commitment to restraint was made apparent on Tuesday when the administration authorized $198,000 in spending over what was originally needed or requested for the office of the administrator of the anti-inflation program. During consideration of the Supplementary Estimates (B), Mr. Tansley, the administrator of the program, told opposition questioners that his office required $100,000 in funds for the remainder of the current 1976 fiscal year. However, the Supplementary Estimates (B) finally requested $298,000 for his office, making apparent that very little preparation or consultation was given to an excess of $198,000 over what was originally requested and needed. Mr. Tansley, a $50,000 a year executive, is indisputably qualified by his training and experience to make such an estimate. In addition, with only 15 days remaining in the fiscal year the possibility of error becomes negligible.

Members of the official opposition attempted to reduce the $298,000 estimate to the level of what was required. Government members voted the motion down, eight to seven. In doing so the government mocks its own restraint program and is contemptuous of the Canadian people who are trying to make the anti-inflation program work.

This is a perfect example of the kind of fat in federal government spending that we are trying to cut. By actually encouraging this kind of spending, which was neither needed nor requested, the so-called spending restraint program has permanently damaged its credibility.

Rough justice, as the Prime Minister put it, should fall equitably on all segments of society, including the present administration. What has to be addressed frontally is the problem of growth in the economy. Severe restraints should not be imposed for any great length of time on a faltering economy. We should not be arguing about sharing a shrinking pie; we should be suggesting that the pie could be enlarged.

Immediate action must be taken to increase the export of our goods. We may not be able to blast our way into the world markets, but surely imaginative leadership can improve our position. Naturally, improvements must be seen in our productivity at the same time. This can best be accomplished by incentives. Most people will improve their output when the certainty of greater reward is there. This is the exact antithesis of being told that your reward will be limited to an increase of 2 per cent for productivity.

So there will be no confusion let me restate what I have been saying. Yes, restraint and regulations are fact; they are necessary. We said that in 1974. But there are two very important differences between what we proposed and what the present administration belatedly enacted.

First, we would have imposed a 60 to 90-day total freeze. By this we would have gained two very important advantages: we would have avoided all the confusion that is rampant today where one group is allowed more, and another less, and we would have had the time to examine the economy in its frozen state with much more clarity than is possible today.

Secondly, and more important, our program would have been limited to 18 months at the most. It was not the open-ended strait-jacket envisioned or at least threatened by the leader of the Liberal party. Our goal would have been to resolve basic inequities within 18 months in order to stabilize the economy. We would have gone on from there to offer incentives and positive government support to make the economy grow.

In Bill C-89 there are certain important clauses we should consider and question at the committee sessions, if this bill reaches committee. As the Minister of Finance indicated when he was dealing with the bill, clause 2 covers indirectly the extension of the control program to cover such industries as construction, trucking, and shipping. In clause 2 there is a specific exemption in respect of construction companies in the province of Quebec.

Dealing with this, I would suggest we should first ask ourselves: is the control program getting out of hand? You will recall initially on October 14, when the minister first outlined his program, he stated there would be about 1,500 firms that would actually be involved or controlled under the program. It was also stated at that time that the total complement for Anti-Inflation Board would be about 200 civil servants. We now find that the control program is to be extended to cover some 20,000 firms. When checking today with an Anti-Inflation Board employee we were unable to identify the total complement they have on staff, but the chap I spoke with said it is at least 400, and possibly 500 employees.

When we are dealing with clause 2 I think it is important that we question why it was felt desirable to extend these controls to cover all construction firms in the nation with the exception of those in Quebec, and why it was considered desirable to make that extension, covering even those construction firms including two-man companies. Think of all the red tape to which this will subject those companies.

When I read the letter addressed by Mrs. Beryl Plumptre to the Minister of Finance setting out the reasoning for this extension I found it most unsatisfactory, because the general impression I was left with is that the cabinet turned to the board, which it had the right to do under Bill C-73, and asked the board to consider whether these five industries shoud be included under its control program or its administration. For no apparent reason, and certainly no strong one, the board came back, and I guess it is not surprising, saying yes, all five should be in its net. What a typical example of growth of bureaucracy. The tentacles go out to cover thousands more never intended to be covered the last time this measure was debated in the House.

Not only do I point that out, by coincidence, we received a press release in our offices not too long ago from the Anti-Inflation Board which makes reference to the source of the complaints the board is receiving. I would recommend that members take a look at it because they will find that the number of complaints that can be related to the construction industry are comparatively low. The number of complaints related to the transportation industry in total is 1.8 per cent, which includes rail and ships. Yet for no apparent reason the government says that virtually the whole industry should be in the net at the present time. This is the type of question I believe we must raise before we pass this bill.

● (2030)

I think the Minister of Finance must give us much more concrete reason for feeling some of the approaches that have been taken to date are justified. The Minister of Finance referred to the appeal provisions which have been included and the fact that the administrator will be given changed powers and in some manner more orderly powers than he had under Bill C-73. But again I think a great deal more explanation should be coming forward before we are expected to pass the final reading and the legislation.

In clause 8 there is a provision not to allow members of the Tax Review Board to sit on the appeal tribunal hearing the anti-inflation cases. I think there should be some explanation why this has been found necessary. Is there a possible conflict here? Is it right to have this anti-inflationary aspect of this program so interrelated with the actual taxation side of our administration? As you probably know, Mr. Speaker, the estimates in respect of the administrator himself, for no apparent reason—certainly an explanation could not be given at the hearings of the Finance committee—have been placed under the Minister of National Revenue (Mr. Cullen). Why? What is the link between the administrator in respect of the anti-inflationary program and our Income Tax Act? Perhaps at the

committee hearings we will hear some answers to this type of question.

Again when we take a look at clause 11 we see it is proposed to amend the provisions that now exist which allow Bill C-73 to be terminated by resolution of this House. This was one of the most contentious questions when Bill C-73 was being debated. We felt that the 39-month period the government asked for in that bill was too long. We wanted the legislation to terminate in 18 months. The reply was that they would give the opportunity for 50 members in this House to request a debate and that within 15 days the matter would have to be disposed of and if the House so saw fit the legislation could expire whenever the resolution required. That is being amended, and we are now being asked to consider not that this House have the sole prerogative but that the Senate now concur in the termination of the programs in the legislation.

It may be acceptable to have the Senate at least pass on the matter, but surely if it is to be dealt with within 15 days of being raised in this House there should be some time limitation on the Senate rather than having the provision, as it now appears to be, that the Senate be asked to concur in the motion to terminate the legislation, with absolutely no time limitation concerning when that honourable House would decide on the suggestion. I know there may be other members in this House who have something to say concerning the right of the Senate to concur or otherwise in any termination motion we might see fit to pass in this House.

So far as I am concerned the end result of a restraint program should be growth and not a regimented and controlled economy. That is what we fear. We believe the 39-month period is too long. We are apprehensive that it will not be terminated at that time and could continue considerably longer.

In conclusion let me re-state our position. I believe some program of restraint is necessary at this time. However, I also believe that the present program will not easily be fulfilled. It will not be easily fulfilled for the simple reason that there is too much confusion. The people do not perceive that the government is leading the way or giving an example by paying serious attention to its profligate ways. The present administration should not count on speedy passage of this bill. There are too many questions to be answered. The present administration should not count on our support at all stages of this bill, which is an amending bill. It should not count on our support at all stages without further explanation and amendments. This country is too young, too vibrant, to need prolonged restrictions. Canada has immense promise, and I would like nothing better than to see it realize that promise.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the members of the New Democratic Party will support this bill for the simple reason that we insisted from the beginning that this law, like many other laws of Canada, should have in it provisions so that those who feel they are being mistreated by the application of the law would have the right to appeal to an impartial body against decisions of the Anti-Inflation Board.

[Mr. Stevens.]

It was both amusing and interesting to hear the minister espouse that view when he introduced this bill because I can remember, if the minister has forgotten—and I would not fault him if he tried to forget—the cavalier sneering way in which he and the Prime Minister (Mr. Trudeau) refused the suggestion of members of the opposition parties. The former leader of the official opposition and the Leader of the New Democratic Party (Mr. Broadbent) stated that this kind of appeal section was required in the law. Let me remind the minister of a couple of illustrations of what I mean.

On February 16 the then leader of the official opposition asked the Minister of Finance (Mr. Macdonald) a question, as recorded at page 10955 of *Hansard*, which in part was as follows:

> ... is the government by amendment, administrative order or some other way prepared to assure the right of a direct appeal of board rulings without the necessity of a party defying the board before such an appeal can be launched?

Later on, after some further questions are asked, the Minister of Finance (Mr. Macdonald) replied:

> ... if a party does not agree with a decision of the board, then the board will refer the matter for the decision of the administrator. This does not necessarily indicate non-compliance on the part of the parties. Just to put it in the context of the normal judicial procedure, parties who are satisfied with the outcome of litigation normally do not appeal.

Of course the minister should have known then—and I think he did know but was trying to avoid admitting—that they would have to change the act because one party in the case of the paperworkers, the union members, could not appeal.

On February 18 the Leader of the New Democratic Party put some questions to the Prime Minister, as recorded at page 11048 of *Hansard*. He asked the Prime Minister:

> ... will the government consider changing the legislation so that the right of appeal is open to both the employers and the employees?

The Prime Minister replied in part as follows:

> ... if the employer is paying wages that are higher than permitted by the guidelines, it seems proper for the other to issue against the employer, not the employee. Therefore, it is the employer who should have the right of appeal if he does not agree with it.

● (2040)

In other words, even less than a month ago the Prime Minister did not accept the idea that any party adversely affected should have the right to appeal. Today of course the minister comes in with his bill, amending the procedure as was suggested by members of the opposition, as if there never was a problem, the government never had any doubts about this, the government was always willing to be fair. Of course nothing could be further from the truth. But as usual today the Liberal government was right when it opposed this kind of appeal procedure, and it is right today when it brings in this appeal procedure.

We will support the bill. I will talk a little later about the effects that this appeal procedure will have on the administration of the whole program, but I want to deal for a little while with the confident way in which the minister was arguing this afternoon when he introduced the bill. Although the government knew it would take considerable time before the effects of the program would be felt and before inflation would moderate substantially, lo and behold, already it is working, and the minister had figures

to demonstrate that that was true. I think the minister should have been much more cautious than he was.

We opposed the government's anti-inflation program from the day the Prime Minister announced it, on Thanksgiving Day, 1975. We opposed it because we said it would not work, we said it would not be applied equitably, and we said it would create further unemployment. Let us look at these claims which he made beginning on the day the Prime Minister announced his proposals. Is the program working? Are we in fact over the worst effects of inflation?

The minister boasted that the rate of inflation for the past three months is down considerably, and he gave some figures to prove his point. I want to suggest to the minister in all seriousness that what we have had is a very temporary lull in the high rate of inflation. Let me indicate some of the reasons why I say that. I am putting them on the record because I think the minister will be eating large portions of crow within a very few months. It will not be tasty and he will probably gag quite a bit on it, but I make that prediction confidently.

We know that the government is committed to permitting a sharp increase in the cost of fuel, particularly oil. It is being reported reliably, I believe, that the increase in June will probably be in the range of $2 a barrel for oil. It has been calculated by economists, including government economists, that a $2 increase in the price of oil will mean an increase in the cost of living of somewhere between 1 per cent and 1.5 per cent for the year.

I noticed that while the minister was speaking the hon. member for South Western Nova (Miss Campbell) applauded him vigorously. I saw the CBC national news a couple of nights ago and they were reporting that, as a result of the already sharp increase in the cost of oil which is used to produce electricity in the province of Nova Scotia, the cost of electric power there has virtually doubled. They reported that many people living in homes which are heated by electricity are getting bills for power for two months in the neighbourhood of $200 to $500. Those are tremendous increases in cost, and I hope that the hon. member for South Western Nova will be able to report to her constituents and the people of Nova Scotia why the cost of living has gone up when the Minister of Finance says that things are going so well.

The cost of money has just risen because the Bank of Canada has instructed the commercial banks to increase their interest rates on loans. The Bank of Canada will now charge 9.5 per cent, and of course the chartered banks will charge substantially more. My colleague, the hon. member for Waterloo-Cambridge (Mr. Saltsman), says that it is almost 4 per cent more than the rate which is charged in the U.S. This means that the interest on personal loans, which is also at an all time record high, will go up automatically. It means that the cost of purchases on credit will go up when more and more Canadians are buying merchandise on time. It means that the cost of doing business will go up because most businesses exist by borrowing money from the banks, and if they pay more to the banks for the money which they have to borrow they will have to pass that increase on to their customers in increased costs.

A very good economist estimated for me today that the most recent increase in the cost of money announced by the Bank of Canada will mean an increase in the cost of living in the coming year of .5 per cent to 1 per cent.

The major reason why the cost of living increases have moderated recently has been the stopping of the increase in the cost of food. Surely even the Minister of Finance knows that that is a very temporary affair. Surely he has talked to his colleague, the Minister of Agriculture (Mr. Whelan), who must have told him that livestock producers in western Canada are finding that they are losing money, that the cost of feed is so high that the price they get when they send their livestock to market means that they lose money on every head that they ship. So they are reducing their herds, the result of which is that although the price of beef has not gone up now, a year from now there will be shortage of beef and the price will be up by 10 per cent or more.

Surely the Minister of Finance must have seen the news from the U.S. that the midwestern U.S. is suffering from a drought the likes of which they have not seen since the dust bowl of the 1930's. This means that the price of feed will be up and the price of beef will be up in the U.S. These are facts which the minister has pushed aside in his desire to show some results from his anti-inflation program. I predict that three months or six months from now the minister will be trying to explain what happened to the anti-inflation program. My colleague says it will be the fault of the international situation, and he is right. That is what the Prime Minister was saying before and during the 1974 election. The Conservatives were saying that we needed a wage-price freeze or controls, and the Prime Minister was saying, no, we did not need them, and not only did we not need them, they would be bad. He was saying that inflation was not caused by internal Canadian problems but rather by international problems. That is true to a large extent.

I want to say to the minister, however, that if he had taken the time to look at today's Toronto *Globe and Mail* he would have seen that, rather than inflation declining in the western industrialized world in the last three months, in fact the rate is increasing.

● (2050)

Let me put on the record just a few illustrations. For the 12 months to January, 1976, prices increased in France by 9.6 per cent; that is about ¾ of 1 per cent per month. In the last three months in France the increase per month was 0.6 per cent for November, 0.6 per cent for December, and 1.1 per cent for January. In West Germany the increase in 1975 was 6 per cent. For the last three months for which I have figures it was 0.3 per cent for November, 0.3 per cent for December, and 0.8 or almost 1 per cent for January, 1976. In Italy the rate was 17 per cent in 1975. It was 1.1 per cent in November, 0.8 per cent in December, and 1.0 per cent in January. In other words, Mr. Speaker, inflation has not abated in western Europe and it is not likely to abate in Canada. We are going to have about 9 per cent in 1976 despite all the claims of the minister.

We said that the guidelines not only would not stop inflation but that they were inequitable. We know what is happening. The Anti-Inflation Board is following the directive of the government and wages and salaries are being controlled at rates somewhere near the guidelines—

somewhere near the 10 per cent or 12 per cent which was indicated by the government. But what about income which does not come from wages and salaries? What about professional people? I do not want to repeat in detail what I have said on other occasions but the minister knows—he would not want to admit it—that both he and the Anti-Inflation Board threw in the towel even before the fight began with the doctors.

The highest income earners in Canada have been told that the maximum increase of $2,400 in one year, which was supposed to apply to all incomes, does not apply to them as individuals. It will apply to the doctors as a group on the average. I suppose that includes interns, people on staff, and all sorts of people who have relatively low incomes, and it will permit doctors who get fees for services to get more than $2,400. That is the kind of equity the minister has provided and in which he believes. We say it is not equity.

The minister today asks us to look at what has been done to business and tells us that prices are not going up and profits have been restricted to 95 per cent of the average of the last five years. Let us look at the question of profits. I want to remind the minister that profits rose tremendously from 1972 to 1974. Corporation profits accounted for about 10½ per cent of the gross national product in 1972. By 1974 corporation profits as a share of the gross national product had risen to 14 per cent. If profits are to be restricted to 95 per cent of the average of the last five years that is just saying that they are going to be limited to something near the all-time high.

Corporations did not have a particularly good year in 1975, not because wages were too high but because of a world recession which cut sharply into the exports of a large number of the products that Canada sells in foreign markets. Minerals like copper, zinc, nickel, iron ore and coal, as well as pulp and paper, did not sell as well as they had from 1972 to 1974. The price for minerals fell very substantially. If rather than a continued world recession in 1976 there is an improvement in the economic conditions of the western world, Canadian exports like those I have mentioned will increase very substantially and prices may go up. What will happen then? The minister and the government already changed the rules of the game which they announced when they proclaimed this program with such great fanfare. They are proud of the fact that they have excluded profits on exports from the guidelines. Now we have what I consider to be a completely unfair situation.

The workers at INCO, STELCO, Hudson Bay Mining or Abitibi Paper, and I could go down the list, are having their wages controlled. The paper workers were on strike for almost seven months and had to return to work for substantially less than they were offered without a strike before the anti-inflation program was announced. But, Mr. Speaker, if the business for those corporations for which they work expands, then there is no limit, no restriction on the profits they can make.

I say to the minister that it is completely unfair and completely unjustified. But it is the kind of equity in which the Liberal government believes. The minister maintains that the government is monitoring corporations to see that they do not fleece the Canadian public. We have said repeatedly that the government does not have the will and ability to do that. The minister contends that this is an anti-business stance, that it is just socialist rhetoric and does not mean anything, and that they will do what they say.

[Mr. Orlikow.]

Let me put on the record the comments of a senior official of Revenue Canada. This was not reported in some wild-eyed radical journal of the left but in the *Globe and Mail* of October 31, 1975. I am reading it from page 9444 of *Hansard* for November 25, 1975, as follows:

> . . . James Gourley, Director General of Audit for Revenue Canada said:
>
> . . . some of the multinationals use their intricate corporate structures to minimize the taxes they pay.
>
> The *Globe and Mail* reported that:
>
> He said he had no idea how much Revenue Canada is losing through tax avoidance by multinational corporations. He guessed that missing revenue from all sources—including multinationals—might be 10 per cent of total revenue.
>
> I note the former minister of national revenue sitting in the House. I continue quoting:
>
> . . . it is difficult for Canadian tax officials to decide whether the costs being charged by subsidiary companies in Canada are fair or are being inflated to boost costs and lower taxes.
>
> A subsidiary in Canada may be supplied with products or services by its parent in another country. The subsidiary would write off those costs against its profit.
>
> But Mr. Basford said, when tax officials try to find out whether the parent is charging a fair price they may be told that the subsidiary has no access to pricing information concerning sales of their foreign sister corporation.

So there you have a senior official saying precisely what we claimed from the beginning, that the government does not have the facilities to monitor the corporations. Mr. Speaker, we have it from sources which we consider to be reliable that the situation is even worse than when Mr. Gourley spoke in October. I am told that today fewer people work for Revenue Canada than worked for the department in 1975. More and more the department will depend on corporations and individual taxpayers filing honest returns.

● (2100)

Lastly, we said that this program would cause unemployment to rise. We were right. Statistics Canada now uses a new method for computing unemployment. Supposedly the new method will indicate lower rates of unemployment. Yet Statistics Canada shows a seven percent unemployment rate, seasonally adjusted, even with its new method of statistical computation.

Let me say a word about profits. The minister patted himself on the back and promised that we should not witness a rise in profits. Well, today I read the annual report of my friendly bank, the Bank of Montreal. What did it show? For 1974 the balance of revenue, after income tax, was some $56,492,000. For 1975 the figure is $102,134,000. The same pattern applies to all banks.

In March, 1976, all banks reported that revenue after taxes had increased by 37.3 per cent over revenue in the same quarter last year. Royal Bank profits this year were up 31.6 per cent; Imperial Bank of Commerce profits were up 54.1 per cent; Toronto Dominion profits were up 26.7 per cent, and the profits for all banks rose by 37.3 per cent, as I mentioned previously.

Apparently this 37 per cent increase is well within the guidelines issued by the Anti-Inflation Board. That frightens me, and is an interesting commentary on the guidelines. They allow between 10 per cent and 12 per cent more to wage and salary earners, and 37 per cent more to banks.

I think I have shown that this program will not stop inflation. It is not equitable, as it bears most heavily on wage and salary earners and least heavily on the self-employed or those whose income comes from company profits.

Despite its shortcomings we shall support the bill, as it will allow employers or employees who consider themselves adversely affected by a decision of the Anti-Inflation Board to appeal that decision. We say that every person in Canada should be allowed to appeal a decision if he, or she, feels that the decision went against them or was unfair.

A shortcoming of the program is that it will encourage the growth of bureaucracy. The hon. member for York-Simcoe (Mr. Stevens) said in so many words that the staff of the Anti-Inflation Board originally was supposed to be small, but has now grown to over 400 employees. Indeed the chairman of the board, Mr. Pepin, is reported by newspapers to have said that the board must deal with a backlog of wage and salary claims and can no longer guarantee a decision in 30 days. A decision may take up to three months. After a union and company have bargained and come to an agreement, they hope within the guidelines, they will need to wait up to three months before learning from the Anti-Inflation Board if the settlement will be permitted as coming within the guidelines. In the meantime I presume that the company will put the extra money it wants to pay employees in escrow or some kind of trust fund.

This bill will allow employees or employers to appeal to the administrator. So far, according to television reports, the administrator has worked with two assistants and some office staff, on a budget of close to $200,000 which he has not been able to spend. Obviously if employers or employees appeal to the administrator on grounds that they have not been dealt with fairly, the work load of the administrator will increase.

Why would employees or employers not appeal decisions of the board? The board is unlike any administrative tribunal I have ever known in this country. For instance, it is not like the Unemployment Insurance Commission which has established a host of precedents covering every conceivable circumstance which might confront it. For example, a person might be disentitled to benefits if his premiums were not paid long enough, if he did not try hard enough to look for work, and so on. If an employee feels he has been unfairly dealt with, he can examine the precedents to see if his claim is valid. Whether he has been fairly treated is another question. At least he knows how the commission works. The Anti-Inflation Board does not do that. It hands down a ukase from on high. It says, "You must reduce wages by 2 per cent or 3 per cent," or whatever the figure is. It takes little account of historical precedent average income in the area, and so on.

I predict that employees and employers in increasing numbers will appeal to the administrator. Not only are we allowing appeals to the administrator, as we should but the entire program will encourage appeals to the appeals tribunal. Its staff will need to be increased. Unless it supports in a routine way the findings of the Anti-Inflation Board it will need to examine all the evidence and arguments again. Therefore one new bureaucracy is being built up in the Anti-Inflation Board, another in the administrator's office and a third bureaucracy will be established to work with the appeals tribunal.

That will not be the only effect of the board. I have already said that the chairman of the Anti-Inflation Board will not guarantee decisions in one month. Decisions may take up to three months. As more and more appeals are entered we can expect delays of up to three months at the administrator stage of the proceedings. Similarly there will be a delay at the stage where appeals can be made to the appeals tribunal. I predict delays from three to six months after agreements are reached by the union and the employer in the negotiations now taking place or likely to take place in the next few months. Justice delayed is not justice. It is unfair to the employees. It is unfair that employees who negotiate in good faith will have to wait for months before they know what is happening. It is also unfair to employers. It will create tremendous problems for them.

● (2110)

Think of the problems of a construction company which sees an advertisement stating that the Government of Canada, a provincial government, municipality, school division or private corporation wants to construct a building. It is asked to submit bids on that. What contractor can, with any confidence, submit that he is prepared to take on the job without knowing the wages he will be paying to his carpenters, electricians, plasterers and labourers hired to work on the construction of that building? How can he put in a proper bid without that kind of information? How is he to know whether there will be the kind of delays I indicated are likely to take place as a result of this legislation?

I am sorry that the Minister of Labour (Mr. Munro) found it necessary to leave the Chamber. I am sure he would agree with what I am going to say. If you want industrial peace and a strike-free relationship between employers and employees, you try to settle differences as quickly as possible. If someone is penalized for breaking the rules, suspended for a week or month, or dismissed, and the employee and his union believe that the punishment was unfair or too severe, they file a grievance. Anyone who has looked at labour-management relations knows that it is necessary to settle problems as quickly as possible. If a grievance cannot be settled on the shop floor it has to go to the head office of the company, an impartial arbitrator, or to the courts, as many cases do. The post office is a good example of how stubbornness on either or both sides can delay the settling of complaints or problems. Hostility builds up on both sides. Instead of being deflated they become inflated, and further problems are created. That is what this program is doing.

This program is not leading to better co-operation and less difficulties. As we said from the beginning, it is leading to hard feelings between employers and employees, and to estrangement between unions and employers.

The program may work temporarily to dampen the demands, requests, and desires of employees. However, when the controls are taken off, as inevitably they will be, the demands will be greater than ever. There will be a legitimate desire by those who have been adversely affected to catch up. They will want to make the gains which they justifiably feel they should have been able to make but were prevented from making by this anti-inflation program.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired. He can only continue with the unanimous consent of the House. Is it agreed that the hon. member be permitted to complete his remarks?

Some hon. Members: Agreed.

Mr. Orlikow: Mr. Speaker, I have no desire to take more than my share of time. I will conclude very quickly by saying to the minister that while we support the principle that every person should have the right to appeal, as the bill provides, what they consider to be an unfair decision by an administrative board, we are interfering more than ever with the free collective bargaining process. This program is not working. It will not work. I predict that in the not too distant future the government, which is announcing its conversion to this idea and this program so belatedly, will be coming to parliament to announce that it is ready to implement a program of decontrols, going back to the system where collective bargaining is as free as every other force in this society in the give and take of bargaining between employees and employers.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I would like to make some comments on this bill. When you really look at Bill C-89 you cannot help but wonder why it is being introduced and why the government has placed a priority on its passage, as we heard this afternoon. It was about four months ago that the House passed Bill C-73. We now have before us Bill C-89 to amend Bill C-73. Perhaps we can take a few minutes to review how Bill C-73 was handled. It may make it easier to understand why we now have Bill C-89.

In discussing the anti-inflation program the Prime Minister (Mr. Trudeau) stated that he wanted massive public input. He further stated we can make it work together. However, that did not happen. He did not have the massive public input.

When the Steering committee of the Standing Committee on Finance, Trade and Economic Affairs met and set about their task of getting that massive public input, they listed about 25 interested groups that would initially come before the committee and discuss the anti-inflation program. We asked the government members if any time limit had been suggested for the committee hearings. We were told that, as far as they knew, there was no time limit, we could just carry on. Of course we perceived the government would want the legislation passed, probably before the House rose for the Christmas recess. However, initially at the standing committee there was no emergency apparent as far as the government members were concerned.

We set about our meetings, and the standing committee first met on October 30. The steering committee had agreed

to meet a broad cross-section of representative groups representing consumers, school teachers, labour groups, business organizations, professional people, agricultural representatives, and so forth. When its report was presented, the Liberal member for Windsor West (Mr. Gray) moved that the report of the steering committee be set aside and that the bill be considered in committee and reported to the House by November 14. After a great deal of debate and haranguing, this date was amended to November 21. Nevertheless, as hon. members can see, there was only the space of a few hours between wanting massive public input and a position of virtual closure at the committee stage. This situation, I am sorry to say, was forced us by Liberal members of the committee.

● (2120)

From that point on, hearings were a charade. The manoeuvre I have described was a calculated move. The hon. member for Windsor West came to the standing committee, I am sure, with instructions to choke off discussion. The instructions he brought were to ram the legislation through at all costs—to hell with input from the public, to hell with parliament—ram it through.

The Minister of Finance (Mr. Macdonald) encouraged this attitude. Look at the record. In spite of the fact that we all had copies of the bill and of the white paper, the minister started off by reading the bill word for word. In other words, instead of making a short opening statement he decided he would take up the full time of the committee by reading Bill C-73, word for word and clause by clause, until we stopped him. He was a little annoyed when we stopped him saying we did not want to hear the bill read in such detail but that we wanted to ask him some questions about it. When we did put questions to him we did not get many answers. He said, for example, that the answers would depend on the judgment of the Anti-Inflation Board or upon the position taken by the Administrator. So members can understand why he wanted to read the bill. He wanted to get his performance over and move on to something else.

Even the tabling of amendments was frustrated. We agreed to table our amendments at a specified time, as did the government, in order to allow all members of the committee to consider the amendments and their relationship to the bill. However, when the time came to discuss these amendments the Liberal members submitted their own private amendments over and above those which had been submitted by the government and the opposition. Then they took up the time of the committee discussing their private amendments rather than those submitted by agreement. In any event, the Liberal members voted against the private amendments submitted by their own party colleagues. One does not have to be a party politician to know that this was a manoeuvre designed to waste the time of the committee, to prevent discussion if possible. The purpose was purely and simply to stonewall and head off serious comment.

If the anti-inflation legislation is not working—and this is the view widely held across the country—the blame can be placed squarely on the shoulders of the Liberal members on the standing committee, not all of them, but a large number of them, for contributing to the charade. The blame for the lack of public input lies squarely on the

shoulders of the hon. member for Windsor West and of the Minister of Finance. They are the ones who stonewalled and wasted time and they must bear the blame for the mess the program is in. I believe it is in a mess.

Here we are, four months after the legislation has been put in place, considering amendments to the act. Only seven of the ten provinces have signed the anti-inflation program. The Minister of Justice (Mr. Basford) has asked the Supreme Court to give an opinion on the constitutional aspects of Bill C-73. I see by today's newspaper, in a *Canadian Press* report, that Nova Scotia has delayed signing the pact because the province wants to exclude teachers' wage settlements from the provisions of the legislation.

Why did the Minister of Justice decide to send the original bill, Bill C-73, to the Supreme Court for an opinion? The action was not prompted by his department or by the Minister of Finance. The constitutional aspect was raised during the committee hearings by my hon. friend from York-Simcoe and by my hon. friend from Edmonton West. Their efforts came to nothing at that time. What really prompted the Minister of Justice to take action was pressure from the provinces, and particularly from the province of Ontario in connection with the attitude of the teachers in Prescott. As the bill now stands we are dealing with more double standard legislation, and I think this is regrettable.

Teachers in Halton and other areas were denied historical wage adjustments or saw previous settlements rolled back, while Nova Scotia delayed signing the agreement because, in its view, the teachers should be exempt; they might have a good point, they might have some catch-up wage settlement, and apparently nothing could be done about that under the legislation. Had we been able to hear the views of all these people during the committee stage I am sure we would not find ourselves in this mess today. I hope this serves as a lesson to members on the government side not to take, in future, such action as they took to ram a piece of legislation down the throat of a standing committee.

Bill C-89 is really a sop. It cleans up a number of definitions and it allows appeals from decisions taken by the Anti-Inflation Board, a point members of this party made when the legislation was before the standing committee, only to be voted down by the Liberal majority. Most of the changes proposed in the measure before us could have been dealt with when Bill C-73 was before the committee if proper and adequate hearings had been held.

We note that the Anti-Inflation Board has a backlog of a thousand cases yet to be heard. Now we are told that the board, by order in council, will add 41,000 new companies to the list of those subject to the guidelines. We note that the trucking industry is to be brought under the guidelines, together with construction, shipping, longshoring, and grain handling. I question this move, particularly as it affects the trucking industry.

I do not think there is another industry in the country which is subject to as many controls as the trucking industry. When one thinks of the multiplicity of the federal, provincial, and municipal regulations in this field one wonders why anyone would wish to be in the business. Yet it is a vital part of our economy. At a time when rail lines in Western Canada are being abandoned and the trucking of grain to and from storage elevators is just beginning to evolve as an alternative system, it might well be unwise to place trucking within the ambit of the anti-inflation legislation. Perhaps when we get to the committee stage, unless ramrod tactics are again used by the minister and his people, we can be given some explanation.

It is particularly difficult for small and medium sized trucking firms to cope with further extensions of bureaucracy; they will have to add yet another layer of record-keeping to those with which they are already burdened. I am sure this will cause many of the small and medium sized companies to sell out to larger competitors. The question we have to ask ourselves is whether this is in the national interest. The same argument applies to construction companies. As I read the regulations the guidelines will now extend to the one-man operation. To impose added record keeping on these people will, I am sure, cause them to question whether they can continue in business.

● (2130)

It is obvious to all concerned that the Ontario teachers' contracts should have been viewed in a different light. The provisions of this legislation caused disruption in the school year, put the teaching profession in conflict with students and the population in general, and cast the whole profession in a light unbecoming to the dedicated people who comprise that profession. By their actions the government and the board disregarded existing contracts and agreements, denied the historical background of those agreements, and chose the role of confrontation. By their actions they built up regional disparities, and indeed disparities within a region.

Just where is this legislation going, Mr. Speaker? We see important decisions, such as the one to drop the export levy and the recent order in council to bring under the anti-inflation regulations another 41 companies, being made by the governor in council. Parliament is left to debate housekeeping items and to clean up sloppy drafting, interpretation, or translation. I say this is really perverting the role of parliament and the committee system that we have attached to this institution.

There is a provision in the bill to terminate the legislation prior to December 31, 1978. This causes me to wonder whether the government, having launched a program which for years it said would not work, is preparing to abandon it in another pronouncement from the Prime Minister that inflation has been beaten or is under control. Certainly pressure is building to have the profit provisions of the legislation removed or modified. Businessmen are finding it hard sledding to expand their operations and thus reduce unemployment by employing more people. They find it extremely difficult to plan and project growth with an anti-inflation program that has so many strings attached.

The chairman of the Anti-Inflation Board keeps telling the business community that the board is going through a learning process. While this learning process is under way, decisions by the business community are being put off, stalled, pushed into the future, or in fact abandoned altogether. I have personal knowledge of several companies that have been planning extensions to their plants but

which have said that, in view of the way things are going, the state of the economy, and the regulations they have to operate under, and in view of the fact that they cannot get any clear decisions from the Anti-Inflation Board, that they cannot understand the regulations, or that they have to hire an expert to interpret the regulations and even then they are not sure that the interpretation is correct, they are going to shelve their expansion programs or cancel them altogether.

Our serious balance of payments problem and our disastrous trade deficit are not going to be solved by the Anti-Inflation Board. These will only be solved by decisions made at the corporate level. You cannot expand any business over the long term with prime rates at the level they are in Canada today. We see our neighbours to the south pulling out of their recession and expanding their business sector. This recovery is being partially fuelled by prime rates that are one half of ours. In New York city today with a triple A rating you can get a rate of 5 per cent. Rates of 5¼ and 5½ per cent are average. Our rates are 10, 10½ or 11 per cent. You cannot expect a businessman to embark upon long-term expansion with rates at that level; therefore pressure is building either to drop or to modify extensively the profit regulations.

I think it is neither proper nor productive for a manufacturer or producer or any businessman to have to plead his case before the administrator. Many will not do it. They will simply hold back projects and expansion until either the anti-inflation program is altered or ended, one or the other. I think the Minister of Finance and those charged with the responsibility of administering this legislation will have to consider this factor very carefully.

Our unemployment level is rising and is now slightly above 7 per cent. One would have thought that once this program had got under way there would have been a real drop in the unemployment rate. The fact of the matter is that the rate is staying at 7 per cent, and the projections of many economists, as well as opinions expressed in letters from various financial institutions, predict that unemployment will stay at the 7 per cent level, that real growth is not going to be that significant.

The dilemma facing the government is that, having removed the surcharge on profits derived from exports as a result of charging a higher export price than in the domestic market, recognizing that the profit squeeze will hold back recovery, and realizing that funds for expansion cannot be borrowed at current bank rates, there is little that the government can do but drastically modify the profit regulations or be prepared to accept slow growth and the continued loss of markets in the future. This is a factor about which I think the minister is concerned. I understand from a recent report that the minister said he would look seriously at the profit side this October. I urge him to look at it long before October, because I think that by that time some very important decisions under consideration right now may have been cancelled.

The political reality is that only then, of course, will the legislation control wages and salaries. This is the accusation of labour and salaried people today. It would be very difficult for the government to keep the legislation in force if it controlled only wages and salaries. Labour leaders have charged that this was the real intent of this legislation in the first place. If this was in fact the case, the political consequences would be very difficult for any political party to handle. In order to remain at all credible, the government will have either to move to price controls much more rigidly than is the case now, or drop the program entirely. The elements of both these moves can be found in the actions of the Anti-Inflation Board and in Bill C-89, which provides for an earlier expiry date of Bill C-73 than December 31, 1978.

I should like to close my remarks by commenting on a matter referred to by the hon. member for York-Simcoe (Mr. Stevens). We saw a ridiculous act at the standing committee on Tuesday when Liberal members of the committee voted against reducing the estimates of the administrator of the Anti-Inflation Board in spite of the fact the administrator agreed he had $198,000 more than he really needed. Regardless of the technicalities or the perception that the government would not reduce spending, even when the administrator clearly stated he would not need it, this was a thoughtless and ridiculous act.

● (2140)

When this bill goes to the committee, if we have a repetition of the shenanigans that went on when we had Bill C-73 there, I can assure you we will do all in our power to oppose the passage of this bill. On the other hand, if we go to the committee meetings and the minister and his officials give us the information we ask for, in a proper form, I would suggest we will probably take a different attitude. The actions of the members on the government side at the committee examining Bill C-73 were absolutely deplorable. This was a mockery of the whole committee system.

If that sort of action continues in committee, then what we are going to see when bills are before the committees is that they will not be debated to any extent and everyone will withhold amendments and propose them at the report stage proceedings, so that the proceedings in the House will drag on and the whole process will slow down. I hope, when we consider this bill, we can reverse that process. Give us the hard information we ask for, in a realistic form, and we will do what we can to push these bills through.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, when I spoke on the anti-inflation legislation, Bill C-73, last fall I expressed serious reservations about the hastily prepared piece of legislation. It was obvious that it was prepared in haste because the Prime Minister (Mr. Trudeau) did an about face and imposed controls when he realized that, once again, the government was failing to deal effectively with inflation. The Prime Minister, on the eve of two federal by-elections, suddenly decided that a new gimmick was needed to save face, and out of this was born the Anti-Inflation Board.

The Progressive Conservative party has been consistently showing leadership in drawing attention to the need to control inflation, even with controls. But in the government's case it was not so much a desire to bring about effective controls as it was to save face.

Those of us on this side of the House pointed out the flaws last fall, and Bill C-89 could have been avoided if the

government had been willing to listen. Now the government, caught in a bureaucratic nightmare, must pull the cookies out of the fire. Bill C-89 is a clear admission of the flaws in the government's anti-inflation program.

The Canadian people are rather apprehensive about the Anti-Inflation Board because it was established by a government that has continually put misleading positions on inflation to them. Government is supposed to show leadership in asking for restraint, and to practise what it preaches. I contend that it has failed miserably. We have continually called for a reduction in government spending and for the government to show restraint in its demands on the economy. Public opinion polls and commentary have made it clear that most Canadians were looking for guidance to help beat inflation. They wanted, of course, to be assured that their government was in the battle 100 per cent. All they got was a lot of whining about how much agony it causes to keep spending from rising more than 16 per cent. I ask the government to listen to the people who have been told their incomes cannot rise by more than 10 per cent. I ask the government to justify its lack of restraint.

It was amazing to hear the former minister of finance John Turner, offer his economic solutions the other day in a speech to the Ontario Economic Council, when his record proves without a doubt that he was the culprit in letting government spending run rampant. Mr. Turner can offer all the solutions he wishes, because he will be proven to be the most irresponsible Minister of Finance in Canadian history. Under the direction of this self-seeking political operator all government departments were handed a blank cheque to spend freely. It is little wonder then inflation remains uncontrolled. Any government that allows its spending to increase 198 per cent in a couple of years, obviously is not out to beat inflation.

For the record, I should like to point out some examples of the government's so-called restraint and fiscal responsibility. Rather than make a concerted effort to heed the criticisms of the Auditor-General to root out inefficiency, empire building, waste and feather bedding to save taxpayers' dollars, the Prime Minister puts on governmental showbiz. The Prime Minister wanted to put on a show for the public to win approval. His so-called restraints might have fooled some people, but in these times of economic peril the young, the poor, the unemployed, the elderly and so on, are not really affected, nor does it help them. They still face high inflation.

If one takes a careful look, only $466 million of the $1.5 billion cut back comes from present program budgets, and the rest from what departments had hoped to spend. One has to ask what kind of restraint that is. Who is the government trying to fool by flashing figures around?

The President of the Treasury Board (Mr. Chrétien), better known as "Mr. No", has said he is the only one in the cabinet with the incentive to cut spending. On another occasion he said the federal government really has little scope for reducing expenditures in any significant way. It makes one curious as to what the minister's real intentions are.

If government is to play a key role in dealing effectively with inflation then the taxpayer should not have to read about such gross over-spending as the 42.9 per cent jump in foreign aid. This year the Department of External Affairs will have a $300 million increase in foreign aid, from $700 million to $1 billion. Where is the 16 per cent guideline in this case? While the Canadian public are being asked to tighten their belts, a lot of their money is going to countries like Cuba, which has some 12,000 troops in Angola. Obviously the word credibility has been removed from the government's vocabulary.

The President of the Treasury Board will no doubt share honours with his colleague, the Minister of Public Works (Mr. Drury), in that he will be known as the most irresponsible President of the Teasury Board. People are no longer going to accept double standards such as those being practised in the Department of Public Works. In calling for restraint the Minister of Public Works has not done one thing to halt construction of the Guy Favreau complex in Montreal, which will cost millions of tax dollars. Are there not enough government offices without creating more, or is the government living true to its record of increased civil service growth?

The Department of Public Works has allowed the federal customs department to rent space in the Manufacturers' Life Centre in Toronto at $8 per square foot, despite the fact that over 39,400 square feet of space are available in its old headquarters.

In Winnipeg, federal government officials decided to renovate and old CAE Aircraft Ltd. building for use as a regional taxation data processing centre. When you take into consideration the interest to be paid on $1.7 million for renovations, the moving costs and so on, an entirely new building could be erected. The Minister of Public Works has proven he shows no discretion in other matters and no discretion in government spending. I would suggest that his department should be investigated to see how much money is really being wasted.

I could go on for days about the Liberal government's lack of direction in using government spending to control inflation. The Anti-Inflation Board does not appear to have any guidance over the government.

If we were to take seriously the message of the Auditor General, whose 1975 report indicated that the government is inefficient, wasteful, negligent of accountability, and out of control—

The Acting Speaker (Mr. Turner): Order, please. The hon. member for St. Boniface (Mr. Guay) rises on a point of order.

Mr. Guay (St. Boniface): Mr. Speaker, may I interrupt the reading of the hon. member for Winnipeg South Centre (Mr. McKenzie) to bring to your attention that the tax data processing centre in Winnipeg, even though at a cost of $3 million, has brought to Winnipeg 900 jobs, of which I am very proud. I want to congratulate the government for the effectiveness of this move.

• (2150)

Mr. Deputy Speaker: Order, please. The hon. member should make his own speech.

Mr. Guay (St. Boniface): He can continue reading.

Mr. McKenzie: Mr. Speaker, as usual the hon. member for St. Boniface (Mr. Guay) is away off base. He should read the minutes of the Standing Committee on Public

Works where I questioned the Minister regarding this multi-million dollar blunder. A new building could have been built for at least $4 million or $5 million less than this extravagance they have been involved in in renovating an old building which they will move out of in three or four years. I should like to ask the member for St. Boniface why they are paying $4.50 a square foot.

Mr. Guay (St. Boniface): Sit down and I will tell you.

Mr. McKenzie: You sit down for a change. The going rate for this type of a building is $2.25 per square foot. Ask him to sit down, Mr. Speaker. He does not know what he is talking about. In business circles in Winnipeg I have been approached and asked by people if they could get in on any other such sweetheart deals.

This is one of the biggest blunders ever pulled off by the Department of Public Works, and other businessmen in Winnipeg would like to get in on this type of deal. The president of CAE, when he is out with his friends for a coffee, is laughing at how he took in the Department of Public Works on this deal. I suggest to the hon. member that he read my previous speeches with regard to this deal.

Mr. Guay (St. Boniface): I do not have to read speeches as you do.

Mr. McKenzie: If you would do a little more reading and a little less of what you are doing you would be better off.

If we take a serious look at the message of the Auditor General it is startling to note that in 1975 it cost 18 per cent more just to pay civil servants than in 1974. There are now more than 300 federal regulatory agencies, and yet there is no cost benefit yardstick to apply to them. The time has come to stop this nonsense the Trudeau government has forced on the Canadian people.

Now that the Prime Minister has decided that the Anti-inflation Board is here to stay, perhaps the government's record of restraint ought to be put under close scrutiny. Since the creation of the Anti-inflation Board its administrator, Donald Tansley, told the Finance Committee of this House that he had $198,000 more than he needs to run his office for its first three months. On February 27 the chairman of the Anti-Inflation Board, Mr. Pepin, said the board's staff had reached 410 and is still growing. When the program was annonced last fall the Minister of Finance (Mr. Macdonald) gave an estimate of fewer than 200 staff members.

The Anti-Inflation Board is well on its way to stepping in line with the government's attitude toward restraint. A Canadian Press report headlined "Fighting inflation at $240,000 a week" went on to report the Anti-Inflation Board will spend $12.5 million in the fiscal year commencing April 1. In another report it is pointed out that the office of the anti-inflation administrator will cost taxpayers about $100,000 a month. It has indeed become clear that something is amiss. How can we fight inflation by contributing to it? It is sheer hypocrisy. Last fall I spoke of the issue of parliamentary accountability, and now more than ever I believe the Anti-Inflation Board should be completely accountable to parliament.

Three months ago we recognized that if Ottawa is to gain broad public support for its anti-inflation program it will have to find a way to make public its actions and decisions on both prices and wages. Only through a build-up of case histories can a pattern be established that will enable Canadians to co-operate with the fight against inflation, and in the process build the credibility of the Anti-Inflation Board. The way things stand now, the public's faith in its effectiveness is not very high. As board chairman Jean-Luc Pepin said, "Mum's the word on most increases the board approves of". The taxpayers have a right to information about the board's activities. Naturally we recognize and respect the need for a certain amount of confidential items, but more information is needed.

The Anti-Inflation Board must make an effort to explain such things as why a group of teachers is deemed to merit a salary increase of 26 per cent, whereas some pulpworkers are limited to 14 per cent, both above the 10 per cent normal increase provided in the controls. To dispel this confusion the board must untangle the bureaucratic cobwebs and work to prove its competence. More important, by creating such confusion the board makes it difficult to know precisely what are the board's policies. There is neither rhyme nor reason to date, all in keeping with the government's attitude on inflation.

The Trudeau administration has made the whole scheme too complex to be understood by the ordinary citizen. The people in my riding, Mr. Speaker, do not have the time to read official documents on whether the prices they pay for food, clothing, fuel, and so on are within the distribution rules or the general net margin rules or the unit cost rules. All they want is real proof that the cost of living is in actual fact going down.

Even when interested individuals do wish to learn more about the program there seems to be a reluctance to help them. Take the case of the course at Niagara College of Applied Arts in Welland, Ontario, as reported in the Toronto *Globe and Mail* of March 17. It was, according to the report, the only non-union agency in the country to have a course on the anti-inflation guidelines and it attracted a good number of people. Mr. E. W. Robinson, chairman of the institute, reported he could not get a government man to come down. The board's media relations man, Mr. Roger Levett, was quoted as saying the problem is manpower.

Some months ago I stated that there should be consultation with the public at all levels. I believe the government has shirked its responsibility. There should be consultation with the provinces, municipalities, industry, labour, and indeed the public in general. In the case of municipalities the government has, by lack of consultation given them a free hand in spending, and this is not good.

I have received communications from small businessmen who are looking for relief from the rules. The board's guidelines make it possible for large companies in a field to reduce prices to stay within the guidelines. It will also force small companies to cut prices or lose business. Mr. J. L. Biddell, a member of the Anti-Inflation Board, in a speech to the Kitchener-Waterloo Chamber of Commerce on February 23 said:

> If relief from the rules is not granted in some cases, some companies will not be allowed to earn sufficient profits to remain in existence.

In the same speech Mr. Biddell said the present guidelines could result in large companies getting larger and

smaller companies being taken over or going out of business. May I call it ten o'clock, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

SUPPLY AND SERVICES—CONTRACT WITH LOCKHEED—REASON FOR FAILURE TO PROVIDE FOR SHORT-TERM FINANCING—POSSIBILITY OF BUYING CANADIAN AIRCRAFT

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, this matter arises from a series of questions that have been asked in the House concerning the strange contract for the purchase of the Lockheed Orion. I refer to the questions that have been asked from time to time by the hon. member for Victoria (Mr. McKinnon), and in more recent days by myself.

I hope the parliamentary secretary will address himself specifically to some questions which remain unanswered. I hope he will not think that this is simply an unwarranted attack on the government's position, because I appreciate that the matter is presently under negotiation and that the problem of financing is paramount. But I do think that this House deserves an answer as to why a company with the reputation of the Lockheed company in November of last year, after some six months of information from all over the world which has certainly scandalized the U.S. Senate, was not questioned very carefully as to the capacity of that company to develop its own cash flow or to generate sufficient funds within the company to meet its obligations on the final signing of a contract with the government for the purchase of the Orion.

● (2200)

It seems to me that the parliamentary secretary should try to answer the question as to why it was that further and more detailed inquiries were not carried out in this case by the Department of National Defence. I appreciate the fact that the parliamentary secretary does not speak for defence, but surely it is part of his general responsibility to answer why such a proper inquiry was not made into the financial capacity of the Lockheed company to satisfy its obligations under the contract in November when we announced in principle the purchase for $1 billion of LRPA aircraft. That was in November.

In January we found that suddenly there was not enough start-up money, and therefore formal contracts were not going to be entered into. We had the very strange interview with the Minister of National Defence (Mr. Richardson) in which he alleged, first of all, that Lockheed had misled us. He then suggested that they were given an assurance by Lockheed that the financial situation was all right. In the same interview he went on to say that because the Boeing contract was basically the same financially as

the contract with Lockheed, they were relying on the assurances that since Lockheed was meeting the Boeing contract it would not be a financial problem. All three of these statements are in conflict, and I hope that the parliamentary secretary will cast some light on that.

We have invested about $11 million and eight years of study in the purchase of these aircraft. In Canada we have excellent aircraft. We have the Argus, and we have another new aircraft which we have developed called the Dash 7. The Dash 7 is manufactured by De Havilland, and the Argus by Canadair. We did not need to enter into this agreement with the Lockheed corporation because we had a perfectly satisfactory aircraft. The Dash 7 would have provided very adequate service in the north and in terms of the environment, and the Argus, with refitting, would have provided a satisfactory LRPA aircraft and substantiated our anti-submarine role about which some of us have some reservations. Nevertheless, we can appreciate, with the 200 mile zone becoming a reality in the near future, that satisfactory aircraft will be needed.

We could have had Canadian workers and all Canadian companies, and every dime of that tax investment could have been made in Canada. The government made a bad decision and now it has a golden opportunity to change that decision because if it was misled by the Lockheed company, as the Minister of National Defence stated, then legally—

An hon. Member: He never said that.

Mr. Leggatt: The hon. member suggests that the Minister of National Defence did not say that. I hope he will read the interview in the Hamilton *Spectator* by Mr. Clive Thomas, and reject the statements in that interview as being incorrect. Either the reporter is wrong or the minister is wrong. I welcome the opportunity for that discrepancy to be clarified. I am taking this as a direct quote from the Hamilton *Spectator*, and I am prepared to provide the hon. member with the date.

An hon. Member: I have seen it.

Mr. Leggatt: I would be happy to be corrected if the minister is misquoted. I do not want to put words in his mouth that are not correct.

The last point I want to make on the Lockheed contract, is that the United States government guarantees the company to the extent of $250 million of its contracts. Two thirds of the company's contracts are for the United States domestic market. We have had some indication by the Minister of Supply and Services (Mr. Goyer) in the House that that fact could give us sufficient assurance that we will receive delivery. I would submit that the present financial position of Lockheed gives us no assurance whatsoever.

In his response to these remarks I hope the hon. parliamentary secretary will tell us whether we have any United States government guarantee of delivery, or if we are going to take $200 million of Canadian taxpayers' money to buy a pig in a poke without any guarantee of a single aircraft. I should like that to be dealt with as well.

Mr. Walter Smith (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I am not too sure

if I can reply to all questions that were asked this evening, but I wish to respond to the hon. member and to recent questions asked in this House concerning the financing of the LRPA, long range patrol aircraft program.

If my memory serves me right, the hon. minister has previously stated that the Department of National Defence has experienced difficulty in financing the initial development and production phases from its approved capital budget, and it has been necessary to examine a variety of alternatives in an effort to find an optimum solution. This has involved specialists in other departments, in financial institutions, and, of course, Lockheed itself. Lockheed's financial situation has made matters much more difficult. I can assure, you, Mr. Speaker, that this has turned out to be a most complex matter indeed.

Mr. Baker (Grenville-Carleton): Embarrassing too.

Mr. Smith (Saint-Jean): There is no question of impropriety, no question of negligence, or of being misled by Lockheed.

Mr. Forrestall: Says who? On whose part?

Mr. Smith (Saint-Jean): The cash flow requirements are quite normal for this type of program.

Recent revelations in Washington have added to the difficulty of the Canadian government in reaching an over-all position on the long range patrol aircraft program; however, the department and the government are hoping to reach a final resolution on this matter by the end of this month.

ADMINISTRATION OF JUSTICE—REASON PRIME MINISTER CAN IGNORE REQUEST FOR PUBLIC INQUIRY

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, for 12 days now this House has been frustrated in its functionings; it had been unable to carry out its business properly and in the normal manner. There has been almost complete expropriation of the question period by a single item. There have been motions for adjournment that have interrupted the normal business. The credibility of parliament is being questioned. On top of that we have had a ministerial resignation followed by a prime ministerial rejection. A few days later we had a second resignation accompanied by a prime ministerial acceptance.

Those involved in these cabinet manoeuvres were involved in the same matter occupying the question period—the problem of the relations between the executive and the judiciary on matters before the courts. This is a matter that should never have arisen. It is most improper that it should have become an issue because it is a fundamental doctrine underlying democratic government, as we know it, that the judiciary shall enjoy complete immunity from executive influence in matters before the courts. The fact that this doctrine has been set aside and improprieties committed—those are Chief Justice Deschênes words—is reason enough for an inquiry.

● (2210)

Confusion has been heaped on confusion, with the reasons given for the two ministerial resignations. One resignation, not accepted, was tendered by the minister who admitted the impropriety and assumed full responsibility for it. The resignation which was accepted was tendered by the person on whose behalf the other minister acted. But the grounds for the second resignation were, according to the words of the minister concerned, in no way connected with the impropriety committed by the first minister at his behest or, at least, with his knowledge.

Then we learned of new rules and ethics, of the need to channel through the Minister of Justice (Mr. Basford) any representations which must be made on matters before the courts. One way or another, the credibility of parliament has been put in question. It is being eroded. I contend that the Prime Minister (Mr. Trudeau) is at fault.

Is it any wonder that the Canadian people are upset and confused about events I have just mentioned? I must indeed ask myself if the Canadian people are not being deliberately confused. I am supported in this approach to the question of why parliament is more or less immobilized at present by considering another couple of red herrings which have been dragged, for no apparent reason, across the picture. Patriation of the constitution is one; criticism of Bill 22 another; the third is the "ganging up" notion, which any in their senses reject out of hand. There is enough confusion in this picture, enough unexplained anomalies, enough inconsistencies between answers given by ministers and the Prime Minister himself, to provide evidence that the confusion is deliberate and could be made clear if the Prime Minister wanted to clarify.

I charge that, with his tactics, the Prime Minister is deliberately holding up the normal procedures of this House. He is doing this by refusing to establish a commission of inquiry. As proof of my charge I suggest that if the Prime Minister were to accede to the perfectly normal request of the opposition and country and establish an independent inquiry into relations between certain cabinet ministers and the judiciary, the House could return without further delay to its normal business.

Why does the Prime Minister hold out so stubbornly? That is the question I asked myself yesterday when I formulated my query. There are two possible explanations. I do not know which one is true, or if they are not interrelated. I suspect, first, that the Prime Minister interprets an election as a mandate to govern without further reference to the electorate.

Mr. Baker (Grenville-Carleton): Consecration by election.

Mr. Munro (Esquimalt-Saanich): The government has an absolute majority of seven members; at the moment it may be only six. I believe there is one vacancy on the other side of the House. Being possessed of that majority, the Prime Minister apparently feels he need not respond to popular demand. This is the presidential attitude I deplore and fear. It is an attitude many of my countrymen deplore and fear.

Alternatively, if I am not right, if it is not that, the Prime Minister's attitude stems from the arrogance of power. It is the arrogance of power which allows the Prime Minister to hold up the work of this House. We know about the arrogance of power. That power corrupts we know; we have seen instances of it. And absolute power corrupts

absolutely. We have seen instances of that, too. Has that happened to us, in Canada? Has power so gone to their heads that the members of the government no longer feel they need to be responsive to popular demand, popular request, and the popular will? Do they resist popular demand, even when it is made known to the government by its own members? We have heard of many on the government side who were kicking over the traces. When the vote came, they were obedient. There is nothing more docile than a maverick properly treated. Can this process be checked? Is there any way of stopping this "slippage"?

There are certain means at our disposal. We seek the truth during the question period. We want to seek the truth by means of an inquiry which could ascertain the facts more easily and objectively than we could, without disrupting the work of this House and country. After all, parliament cannot constitute itself a court of inquiry into matters of this sort. Parliamentarians are involved. Until the proper forum for the inquiry is established, we shall continue doing what we are doing. Why, therefore, can we not have a proper independent inquiry, in the form outlined by the hon. member for Grenville-Carleton (Mr. Baker) this afternoon, to determine the facts and to restore the credibility of this House?

I came to this House because it was a credible institution and I hoped to see it work. I now see it being eroded before me. Until such an inquiry is established we all suffer, our representative institutions and the individuals who try to make them work. The fault lies squarely with the Prime Minister.

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, as the hon. member for Esquimalt-Saanich (Mr. Munro) has indicated, this matter has been before the House during the question period for the past 12 days. All the matters raised by the hon. member are by no means new. They were raised during the question period. I refer the hon. member to the replies made by the Prime Minister (Mr. Trudeau) and other members of the cabinet.

Parliament is working very well. I challenge quite explicitly any reference or suggestion that the credibility of parliament is at all impaired. I suggest that the credibility of the opposition has been substantially impaired by their attitude and rambling questions on this matter.

I might indicate that parliament has voted on the question of confidence in this government. Contrary to the seven-member majority the hon. member opposite speaks of, if I recall correctly the vote supporting the government in this issue was 128 to 102. Therefore the majority was 26 votes.

I suggest to the hon. member that the attempt by the opposition to try to excite public opinion has fallen flat on its face. I further suggest that he pay more attention to replies that are given, and open his mind as well as his ears, so as to be able to receive the responses made by the Prime Minister and his ministers in good faith in an attempt to reply to questions, although incompetently asked by members of the opposition.

Adjournment Debate

NATIONAL DEFENCE—REQUEST FOR LIST OF BASES TO BE CLOSED—EFFECT OF BASE CLOSURES ON SEARCH AND RESCUE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, talking about credibility, when the parliamentary secretary can explain how it is that the Japanese military can buy 100 Lockheed Orions for $1.6 billion and we are paying $1.06 billion for 18, I will understand his lecture to us about credibility. This is the most incredible administration this parliament has seen in the ten or 12 years I have been here.

Just dealing with credibility, I am sorry that the minister has left. It is regrettable that the minister can sit here until ten o'clock and then not bother listening to questions with respect to his department. However, we have the parliamentary secretary.

Mr. Blais: The very able parliamentary secretary.

Mr. Forrestall: He is very able. There is no question about that. I just hope he has permission to give us the right information. The information we are seeking is very simple. It has to do with base closures and consolidations.

I want the parliamentary secretary to respond to several questions. I premise my remarks on the clear understanding from the minister today that he does not in fact have the final report from his departmental people. It has not gone to Cabinet yet, so it is not the final report. If there are any bases to be closed, I will be damned if I want that to be the final report.

How many bases are involved? Where are they located? What are their military functions? How many civilians are involved? What is the extend of the civilian payroll? How many military payrolls will be shuffled around as a consequence of any base consolidation or base closure? What is the present impact of these same civilian and military payrolls on the immediate economic region? What will be the impact after this phase of base closure and consolidation is completed? And this is not the first phase.

● (2220)

It is an ongoing scenario we have witnessed for ten years under the Prime Minister (Mr. Trudeau) and the government across the way. I do not know why he does not stand up and say plainly, "We do not need a Canadian military force." That would end the sham he has perpetrated on the Canadian military and on the public to date. Because of the impact of these moves on Canadian workers and their families will the department, before cabinet has completed its consideration of this report, bring into a meaningful role in the decision-making process, UNDE, the union involved? Will it bring municipal officials and municipal authorities involved in this decision into a meaningful role, not merely a consultative role but a role which will reflect concern for the desperate situation which will result if the report results in further base closures?

I want to know, finally, because if the rumours are correct the economic impact on some of these regions will be desperate, what alternatives the government intends to make available to those who are affected. Will they involve the union, will they involve provincial and municipal officials, will they seek out provincial and departmental exp-

ertise to see that the impact is not so great that the people in the area cannot possibly afford it?

Finally, when will the government stop trying to save pennies by wasting dollars with respect to military spending, and increase the military budget to a point at which it is adequate to avoid the disastrous economic impact which could conceivably occur if we go ahead with any full-scale base consolidation program at this time?

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I think the hon. member who posed this question must be part owl. He seems to function best in the middle of the night. If he is a night owl, then I am a night hawk.

Mr. Baker (Grenville-Carleton): You are a hoot owl.

Mr. Dionne (Northumberland-Miramichi): The hoot owl is sitting over there. And he comes from Grenville-Carleton.

I thank the hon. gentleman for the kind words he directed toward me at the beginning of his remarks. I appreciate those remarks but I am not going to let them affect my mental capacity.

Mr. Baker (Grenville-Carleton): It would take dynamite to do that.

Mr. Forrestall: Do get on with it.

Mr. Dionne (Northumberland-Miramichi): I will try to deal with the questions he has raised. However, he is asking for answers to questions with regard to which no decisions have been made. I thought I explained that in detail last week.

How many bases are being looked at? Well, I suppose the answer is that practically every base in Canada is being looked at with respect to this review. Where are they situated? They are located from coast to coast and their functions range all the way from supply and reconnaissance to training. The salaries of the employees involved cannot be assessed until it is determined which, if any, of the bases will be closed. The same applies to the impact of closures upon the community. Until this is decided it is not possible to answer—

Mr. Forrestall: You will find yourself here once a week until you get some answers, so get used to it. And let us have no slurs with regard to my night owl activities, young man.

Mr. Dionne (Northumberland-Miramichi): I beg your pardon?

Mr. Baker (Grenville-Carleton): You should withdraw that remark.

Mr. Dionne (Northumberland-Miramichi): If it has caused any offence I would be happy to withdraw it. I did not intend it to be offensive in any way.

Mr. Forrestall: We will be here once a week until we get some answers.

Mr. Dionne (Northumberland-Miramichi): I do not mind that. Obviously it is not—

Mr. Forrestall: It is not important to you, but it is to an awful lot of Canadians.

Mr. Dionne (Northumberland-Miramichi): Well, Mr. Speaker, if the hon. member wants an answer I will try to give it to him, but he will have to keep quiet for a minute or two. I did not interrupt him when he had seven tenths of the time to ask his question, and I have only three tenths to answer. He is making it impossible for anyone to give him an answer. If he does not want an answer, I will sit down.

Mr. Forrestall: You would love to do that. You don't have any answers.

Mr. Deputy Speaker: Order, please. Hon. members are aware that the procedure is very strict and that the time allotted for this question and answer has expired.

Motion agreed to and the House adjourned at 10.27 p.m.

HOUSE OF COMMONS

Friday, March 19, 1976

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

AGRICULTURE

REQUEST FOR PROHIBITION OF IMPORTS OF BUTTER AND CHEESE—MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to propose a motion on an important matter of pressing necessity.

Considering the tense and shaky situation the producers of manufacturing milk have to face as they never know what to expect from year to year and considering that our imports of butter and cheese are mostly responsible for such a situation, I move—

Mr. Speaker: Order. The hon. member must know that it is the subject matter of the motion of the Social Credit Party of Canada which will be discussed today. I understand that the hon. member is asking leave to alter the motion to be discussed today with the unanimous consent of the House. If I am right, it is precisely the subject matter of the Social Credit motion to be discussed today.

Mr. Matte: Mr. Speaker, we are only asking the unanimous consent to move:

That the House ask the government to put a stop as soon as possible to our imports of butter and cheese, which could easily be produced in Canada.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Pursuant to the provisions of Standing Order 43, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

• (1110)

ORAL QUESTION PERIOD

[*English*]

ADMINISTRATION OF JUSTICE

ALLEGATION OF GANGING-UP ON FRENCH SPEAKING MINISTER—DISCUSSION OF SUBJECT BETWEEN MINISTERS OR IN CABINET

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is to the Minister of Public Works. I want to go back to some of the responses given yesterday in the House. The minister was referring yesterday, in answer to questions I had asked, to what he thought, to use his words, were "baseless rumours" relative to an alleged ganging-up against Francophone ministers or French speaking Canadians. He said in the House he thought they were baseless rumours, yet he is quoted in *La Presse* of March 17 of this year as indicating that the suggestion had come from the then minister of consumer and corporate affairs. My question to the minister is: prior to the former minister of consumer and corporate affairs asking the Minister of Public Works to approach the judge, did the former minister indicate in any way that he believed his contempt of court proceedings constituted a ganging-up by the English speaking establishment?

Hon. C. M. Drury (Minister of Public Works): I think the hon. gentleman is asking me to disclose the substance of conversations between colleagues and I have indicated that I regard it as improper for this to be revealed in public.

Mr. Clark: We know both what the minister considers to be improper and, regrettably, what he considers to be proper. What I should like him to do, so that the House might have at least this piece of information, is to deny categorically, if he can, that any minister of the Crown including specifically the former minister of consumer and corporate affairs raised this aspect with the minister prior to the telephone call by the minister to the judge concerned? Will he, without revealing what went on—

Some hon. Members: Oh!

Mr. Clark: —at least tell us that that kind of thing did not go on? Will he at least give us a categorical denial there was that kind of suggestion by the former minister of consumer and corporate affairs or by anyone?

Mr. Drury: I think this is established cross-examination technique. If you select, as has been tried before, a number of unlikely issues and get enough denials you can eventually glean some idea of what the substance of a conversation was.

Mr. Clark: It would be a great deal easier if the government would simply come clean and give all the information.

Some hon. Members: Hear, hear!

Mr. Clark: Let me direct a supplementary to the Prime Minister. When asked yesterday if he would deny categorically that the ganging up had been discussed formally or informally by members of cabinet, the Minister of Public Works said: "I am utterly appalled that the distinguished House leader of the Conservative Party should expect to get information from a member of cabinet on details of proceedings in cabinet." The Minister of Public Works referred specifically to details of proceedings in cabinet. Will the Prime Minister tell the House, now, whether the question or the idea of any kind of ganging-up was, in fact, discussed in cabinet, and, if so, when?

Right Hon. P. E. Trudeau (Prime Minister): I always hesitate about indicating what went on in cabinet. I will attempt to answer this question but I do not want it to be seen as a precedent. In the overwhelming majority of cases I prefer not to discuss what went on in cabinet. I do from time to time comment to the press on what items were on the agenda and what were not. I would think it remiss of me to go beyond that. I can give an answer here, and even if it were an answer to the contrary I would not mind giving that either. The answer is that the issue was not discussed in cabinet, but had it been I would not see anything so scandalous about that.

The hon. member heard yesterday a motion in this House from the Créditiste party. They know something about the problems of Quebec. They know that this kind of issue is sometimes raised. If it is raised, either by way of rumour, as the minister has said, or by way of reality, it is the duty of the government, which is the government of all Canadians, to know about these rumours and discuss them if appropriate. In this particular case it just so happens it was not discussed, but I would not be ashamed if it had.

CONTENT OF CONVERSATION BETWEEN MR. DRURY AND JUDGE HUGESSEN

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask a question of the Minister of Public Works. Mr. Justice Hugessen's letter indicates that they discussed a great deal more than the sociology of baseless rumours. My question is to seek information. Now that the Deschênes report is out, would the minister tell the House, as alleged earlier last week, whether in fact he told the judge that the accused was a very important person, presumably to the government, and that the proceeding was politically very sensitive and potentially explosive?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I think that statement, if I recognize it, is attributed to me, allegedly by a certain Mr. Holden. It is quite without foundation.

Mr. Woolliams: Well, I did not get many facts out of that.

Some hon. Members: Oh, oh!

[Mr. Drury.]

PRIME MINISTER'S CONVERSATIONS WITH MR. DRURY AND MR. OUELLET—REASON FOR ACCEPTING MR. OUELLET'S RESIGNATION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would now like to put this question to the Prime Minister. On March 9, 1976, which was before the Deschênes report came out, the Prime Minister said: "I listened to their version"—meaning the version of the two ministers—"and feel that their explanations indicated clearly that they were not attempting to influence in any way the judgment of the courts". Then on March 17 the Prime Minister said: "That is right, I got the answer from the minister on Monday". There were two periods when the Prime Minister examined the ministers or cross-examined them or discussed with them. Did the Prime Minister get a different version from one or both ministers—that is, the Minister of Public Works and the former minister of consumer and corporate affairs—during the two periods of discussions and, if not, why did he accept the resignation of the former minister of consumer affairs following that Monday?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I got different versions because I asked different questions. If the hon. member refers to the text that he has just read, in the first instance I was concerned with illegalities and that was the burden of my questions. Once we had asked Justice Deschênes to look into the matter, then I felt that in all propriety I should wait for him to give his version of the facts. Having heard his version of the facts and that there was no illegality in everyone's judgment but an impropriety, I then went back to the ministers and asked them further questions relative to this impropriety.

Mr. Woolliams: A further supplementary question, Mr. Speaker. Now, we are getting somewhere. We find that there were two versions. I take it from the Prime Minister's answer that what was said in the second version led to the resignation of the former minister of consumer and corporate affairs?

Mr. Trudeau: The answer is no, Mr. Speaker.

ALLEGATION OF INTERFERENCE WITH JUDICIARY—METHOD BY WHICH ALLEGATION INVESTIGATED

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the right hon. Prime Minister. When the Prime Minister suggested to the House that he would have the Minister of Justice write to the Chief Justice of the Superior Court of Quebec to ascertain whether or not any of the judges in question felt that they had been aggrieved, the reply of the Chief Justice makes it perfectly clear that he was dealing only with the matter of the judges, as the Prime Minister has suggested. Chief Justice Deschênes said in his letter:

—it is obviously not one of my functions to set myself up as a semi-official investigator on behalf of the House of Commons.

● (1120)

Further on in his report he said:

I therefore do not want to set myself up here as a judge of your colleague nor of mine.

Since it is apparent that Mr. Justice Deschênes has passed this ball back to the House of Commons and to the Prime Minister, who is its chief member, I would ask him what steps he proposes to take by which the House of Commons can properly discuss two cases of impropriety, one of which the Chief Justice says was a very grave matter? Since it is our responsibility, and I contend primarily his, how does he propose we discharge that responsibility?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the answer is very simple. The hon. member wants to know what means the House of Commons has to discuss this matter. It seems to me it took all day Tuesday to discuss this very matter.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the Prime Minister knows perfectly well that in the traditions of the House of Commons a matter can be discussed in one of two ways, either by having the matter referred to a standing committee of the House or by having an official inquiry. I am asking the Prime Minister which of those courses he proposes to follow, or whether he proposes to leave this matter in the air, which is the worst possible thing that could be done for parliament and for the members concerned.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I do not think it is fair to say it has been left in the air. The minister has issued an apology and so has the former minister issued an apology. Of course, it is to be expected that the House might not think this is enough. I have given reasons why I do not think it would be proper for the House of Commons to inquire into an issue which would mean subpoenaing judges before it. The hon. member mentioned another course, being the one of a committee of the House. I have invited hon. members opposite on several occasions to use this course if they so desire. If they know their duty they should lay a charge and we will examine it, then the prosper consequences will follow.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I would suggest it is not necessary to lay a charge because the Chief Justice has accused two ministers of impropriety, and one of being a party to a very grave matter, so the charges are already here. The Prime Minister said the other day he did not agree with Mr. Justice Deschênes on certain points. Surely, those points ought to be cleared up. I ask the Prime Minister whether or not he is prepared to accept his responsibility and do either one of two things; refer this matter to a committee of the House or institute proper public inquiry?

Mr. Trudeau: Mr. Speaker, this is the same question over and over and over again. I suggest that perhaps the hon. member made—

An hon. Member: But it is true.

An hon. Member: And the same answers.

Mr. Trudeau: Yes, Mr. Speaker, I would gladly refuse to give them, if that is what the opposition prefers. The hon. member said I had said I disagreed with Justice Deschênes. I believe, and my recollection is to this effect, that I said I disagreed in some aspect with Mr. Justice Mackay, if the hon. member would want to look it up.

An hon. Member: Are you laying a charge?

* * *

[*Translation*]

AGRICULTURE

SUGGESTED PROHIBITION OF IMPORTS OF MILK PRODUCTS IN 1976-77

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

As we expect the minister to announce his new dairy policy for 1976-77 within a few days, has he made sure with his colleague on his right whether he can, for that year, forbid the entry into Canada of cheeses or dairy products that can be produced in Canada?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, if I understand correctly, the debate later this day is to be on the dairy situation and I will be speaking during that debate. I am sure the hon. member concerned and others will be participating in the debate also, and the information should be forthcoming.

* * *

EXTERNAL AFFAIRS

INDIA—REQUEST FOR DETAILS OF AGREEMENT TO RESUME NUCLEAR AID—SUGGESTED TABLING OF AGREEMENT PRIOR TO RATIFICATION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Acting Secretary of State for External Affairs. Since it is now two weeks since negotiations took place in New Delhi about the resumption of nuclear aid to India, and since the minister said at that time, on March 5, that the government has every reason to want full disclosure of all the facts, given this two-week interval in which I presume this matter has been analysed in detail by cabinet, is the minister now in a position to inform the House as to the content of those negotiations and understandings?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, the hon. lady is misinformed. The matter has not yet come before cabinet.

Miss MacDonald: Mr. Speaker, in light of the statement by the Secretary of State for External Affairs on March 11 that the negotiating team was acting under instructions—"Its terms of reference were established by me"—I should like to ask the acting minister, since the terms of reference at least were well known and clearly defined, whether he could inform us as to what the terms of reference were under which the negotiating team was operating?

Mr. Sharp: Mr. Speaker, I will pass this suggestion to my colleague who may or may not want to reveal the terms of reference. At any rate, he will be quite happy to make a statement when the negotiations are completed.

Miss MacDonald: I have one final supplementary, Mr. Speaker. Given the commitment of the Secretary of State for External Affairs of March 11 that he would co-operate with any effort that might be made on a bilateral basis to have the subject ventilated in the House, would the minister undertake to table the tentative accord with India before it is ratified and put down a motion to debate it. I am sure the House leader understands that this is appropriate parliamentary procedure, even if the Prime Minister would dispute it.

Mr. Sharp: Mr. Speaker, there has been no agreement yet reached between India and Canada so that most of the discussion is quite premature. There has been, I understand, an initialling of a tentative understanding. That has not yet been approved by the government, so there really is nothing yet to talk about.

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ADMINISTRATION OF JUSTICE

ALLEGATION OF GANGING-UP ON FRENCH SPEAKING MINISTER—SOURCE OF RUMOUR

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a question for the Minister of Public Works. It arises out of answers to questions of the Leader of the Opposition and the Prime Minister's answer with regard to his categorical denial that those rumours were not discussed in cabinet. In view of what the minister and what the Prime Minister have said, is the minister prepared to say to this House that not one minister of the government expressed the view that this matter was a ganging-up of the English-speaking establishment, and that he did not refer to the cabinet or any minister in the cabinet when he told the judge that this view was held in some quarters in Ottawa.

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I am not quite sure but I think probably what the hon. gentleman is trying to do is ascertain what I have said to my colleagues or what they have said to me. It does not seem to me to be very profitable to try to pursue a line which I repeat I decline to be led down.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I want to say, through you to the Minister of Public Works, that that is exactly what I am not doing. I hoped the answer to the question would be no. Yesterday the minister said he would not tell us what passed between his colleagues and himself privately. The Prime Minister has said that the matter was not discussed in cabinet. Is the minister now saying to us there were some other sources in Ottawa who brought to his attention what might be called baseless rumours, other than a cabinet minister, and if that is the case who are they?

Mr. Drury: Mr. Speaker, it is difficult to pin down the source of information as to a particular rumour. I think the hon. gentleman is aware of the fact that such a story is on the record of the House of Commons, in view of the attempted motion yesterday. I quite frankly would be unwilling to try to attribute to a particular source my first hearing of this story.

● (1130)

ALLEGATION OF GANGING-UP ON FRENCH SPEAKING MINISTER—POSSIBLE SUPPORT FOR ALLEGATION IN ACCEPTANCE OF MR. OUELLET'S RESIGNATION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is for the Prime Minister and it is on the same issue. In view of what I suggest is a double standard in accepting the resignations from the two gentlemen involved in the same impropriety, would the Prime Minister not agree with me that that double standard would add support to the very rumour which the Minister of Public Works says is baseless?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think I can now answer the question of the Leader of the Opposition where this kind of rumour originates. It originates in the kind of question that was just put to me.

Some hon. Members: Shame.

ALLEGATIONS OF INTERFERENCE WITH JUDICIARY—KNOWLEDGE OF PRIME MINISTER IF MR. OUELLET'S DISCUSSIONS LIMITED TO MR. DRURY

Mr. J. P. Nowlan (Annapolis Valley): Again I direct a question to the Prime Minister. Not taking the full two week moratorium on asking questions from ministers but whenever the Prime Minister finally did ask detailed questions of the ministers involved about what happened, did the Minister of Public Works say to the Prime Minister that only he, the Minister of Public Works, was involved in a conversation with the former minister of consumer and corporate affairs, or were other ministers involved in this discussion, separate and apart from any cabinet discussion?

Right Hon. P. E. Trudeau (Prime Minister): I did not ask him this. I did say to the House that I know the former minister of consumer and corporate affairs probably discussed it with several of his friends and ministers. I know he discussed it with me and he probably discussed it with the Minister of Public Works alone and in the presence of others.

INQUIRY WHETHER MR. DRURY ADMITTED IMPROPER CONDUCT PRIOR TO RESIGNATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Public Works. On the Friday at issue the Minister of Public Works thought it necessary to tender his resignation. Subsequently he had a conversation with the Prime Minister, following which his resignation was not accepted. Did the Prime Minister ask the Minister of Public Works whether his conduct was one of wrongdoing and improper and, if so, what was the answer?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, the question is whether the Prime Minister asked me if I had been guilty of any wrongdoing or whether the conduct had been proper. I responded that in my view it had not been in any way illegal. It had, however, been improper, and as a consequence I was tendering my resignation.

INQUIRY WHETHER MR. OUELLET ADMITTED IMPROPER CONDUCT PRIOR TO RESIGNATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my supplementary question is for the Prime Minister. Apparently the Prime Minister must have had a conversation with the former minister of consumer and corporate affairs regarding this entire matter, particularly with respect to the resignation of the Minister of Public Works. Did the Prime Minister in fact ask the former minister of consumer and corporate affairs whether he thought his conduct was one of wrongdoing and improper and, if so, what was the answer?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have answered this question before.

Some hon. Members: Oh, oh!

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PENITENTIARIES

SAINT JOHN—ALLEGED REFERENCE BY MINISTER TO APPROVAL OF POLICE OF LOCATION OF NEW INSTITUTION—REQUEST FOR CLARIFICATION

Mr. Mike Landers (Saint John-Lancaster): My question is for the Solicitor General, Mr. Speaker. Would the minister care to clarify an alleged statement attributed to him in the Saint John *Telegraph Journal* of March 13, 1976 in which he is quoted as saying:

The police department and other groups who had studied the idea—

The reference is to a prison within the Saint John city limits.

—have also come out in favour of the location.

The Solicitor General is alleged to have made that statement in Fredericton, New Brunswick.

Hon. Warren Allmand (Solicitor General): That report is incorrect. I said that the chief of police was in favour of the location of the prison in the city in question. But it is also known that the police association has come out against the site. So one part of the police community is for it and the other is against it.

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ANTI-INFLATION BOARD

REQUEST FOR MEASURES TO SPEED UP PROCESSING OF APPLICATIONS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Right Hon. Prime Minister. Since up until yesterday the Anti-Inflation Board had made only 93 decisions and now has a backlog of some 1,000 cases, and since the chairman of the board, when the program was first started, promised decisions within 30 days, can the Prime Minister tell the House and the working people about the procedures the government is taking to speed up the processing of applications before the board so that decisions may be reached more quickly?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take note of the question on behalf of the minister responsible.

Mr. Nystrom: Would the Prime Minister ask the minister responsible, who is not here today, to make a statement on this issue before Monday when the CLC will present a brief to the cabinet?

Mr. Trudeau: I am sure that if he were to do that it would be made outside the House, and the hon. member would not like that.

Some hon. Members: Oh, oh!

* * *

GRAIN

BARLEY—LOSSES RESULTING FROM WIDE SPREAD BETWEEN PRICES FOR TWO GRADES—GOVERNMENT ACTION TO COMPENSATE

Mr. Craig Stewart (Marquette): Mr. Speaker, my question is directed to the Minister responsible for the Canadian Wheat Board or his parliamentary secretary. However, since they are not present here today, I will direct it to the Acting Minister in charge of the Canadian Wheat Board. Many farmers are annoyed at the fact that in the 1974-75 crop year when they shipped cars of barley for malting, one car would be graded 2CW and the next, No.1 feed, yet both cars ended up for malting. Then, this year the final payments of 99 cents per bushel for 2CW and 18 cents for No.1 feed were announced. Can the acting minister tell the House what the government plans to do to compensate the farmers for this unrealistic spread in the final payments between 2CW barley and No.1 feed which amounted to losses of $2,000 per car for many farmers?

Hon. Ron Basford (Acting Minister of Transport): Mr. Speaker, as the Acting Minister of Transport I will be happy to take notice of the question.

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HUMAN RIGHTS

DATE OF RATIFICATION OF UNITED NATIONS DECLARATION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Parliamentary Secretary to the Secretary of State for External Affairs. Have the necessary arrangements now been put in place between the government of Canada and the provinces so that Canada can ratify the UN Declaration on Human Rights? We were promised a month or six weeks ago that that ratification was imminent.

[*Translation*]

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, as the hon. member knows, at the federal-provincial conference held on December 11 last, we reached an agreement on principle. I wish I could tell him that the agreement has been signed, but that I do not know. However, I shall take note of the question of the hon. member and look into the matter.

* * *

[*English*]

AGRICULTURE

BROILERS—POSSIBILITY OF ESTABLISHING NATIONAL MARKETING AGENCY

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct my question to the Minister of Agriculture and ask him whether a decision has been reached with respect to the establishment of a broiler marketing agency under the Farm Products Marketing Act.

Hon. E. F. Whelan (Minister of Agriculture): No, Mr. Speaker, I met people from the different provincial marketing boards and told them I would consider their request but that I wanted to make it plain to any marketing agency with which I was involved that I would have to have more federal authority than we had in anything they were proposing at that time.

BROILERS—POSSIBILITY OF ACTION ON FOOD PRICES REVIEW BOARD REPORT CONCERNING MARKETING PRACTICES

Mr. James A. McGrath (St. John's East): Is the minister able to tell the House what action, if any, the government has taken on the recommendation of the Food Prices Review Board or at least in respect of their report of October 1975 with regard to the broiler industry in Canada and what appear to be certain questionable marketing practices in contravention of the BNA Act?

Hon. E. F. Whelan (Minister of Agriculture): The marketing practices referred to by the Food Prices Review Board are under provincial jurisdiction and I have very little if anything to do with that. The broiler producers in Canada at present are practically being put out of business by cheap imports from the Southern United States.

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NATIONAL DEFENCE

STATUS OF COMMUNICATIONS PROJECT SAMSON—POSSIBLE DELAY IN COMPLETION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of National Defence. Could he inform the House of the status of project Samson, the new system which is to update communications in the Department of National Defence?

[Mr. Fairweather.]

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the Samson project is continuing and will be completed in the near future.

Mr. McKenzie: Has Computing Devices of Ottawa fulfilled its $6 million contract with the Department of Supply and Services to supply terminal equipment for the $24 million Samson project?

Mr. Richardson: No, Mr. Speaker, I understand that Computing Devices have not been able to complete their part of the contract.

Mr. McKenzie: Will the program be in operation as scheduled for mid 1976?

● (1140)

Mr. Richardson: I do not know if the difficulties which Computing Devices have encountered will in fact have the effect of delaying the program. That is possible.

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[*Translation*]

ADMINISTRATION OF JUSTICE

ALLEGED PARTICIPATION OF MR. HOLDEN IN LETTER FROM JUDGE MACKAY—PURPOSE OF LETTER

Mr. Pierre De Bané (Matane): Mr. Speaker, I should like to put a question to the Minister of Justice.

Can he ask the Chief Justice of the Quebec Superior Court to find out whether there is any truth or not behind the rumours now circulating that Mr. Holden helped, directly or indirectly, to write the letter Judge Mackay sent, and whether the judge's letter was motivated only by the fact that his former associate's fees have not been paid, and whether his former associates' firm still owe him some money?

[*English*]

Hon. Ron Basford (Minister of Justice): Mr. Speaker, my view of any such rumours would be that, even if true, they would clearly be within the management of the court which, as I have stated many times in the House and as the Chief Justice of the Superior Court documents in his letter to me, under the Quebec Judiciary Act is clearly within the hands of the Chief Justice.

POSSIBLE REFERENCE OF ALLEGED INTERFERENCE WITH JUDICIARY TO CANADIAN JUDICIAL COUNCIL—REQUEST FOR TABLING OF REPORT

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I should like to ask the Minister of Justice if he regularly or even occasionally receives the determination of matters which come before the Canadian Judicial Council.

Hon. Ron Basford (Minister of Justice): No, Mr. Speaker. Under the law I would receive those matters which I have directed the council to take under consideration under section 32(1), I think it is, but apart from that, no.

Mr. Lawrence: Because the whole question of the dial-a-judge scandal has been referred to the Canadian Judicial Council by one of the judges involved, and because it is a matter of importance and has received much publicity, I wonder if the Minister of Justice would be good enough to make sure that he receives a report from the Canadian Judicial Council on the matter, which it is now obviously discussing because it has been referred to it, and if the minister would undertake to release that report to the House and to the public?

Mr. Basford: I am not aware that matters have been referred to the Judicial Council, and I point out to the hon. member, who has for two weeks in this House been talking about the independence of the judiciary, that I am in no position to demand reports from the Judicial Council except those provided by law.

Some hon. Members: Hear, hear!

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POST OFFICE

VANCOUVER—FAILURE TO DELIVER BROCHURES FOR KINSMEN REHABILITATION FOUNDATION—GOVERNMENT ACTION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. Has the Postmaster General received a complaint from the Kinsmen Rehabilitation Foundation of British Columbia with respect to the failure of the Vancouver Post Office to deliver to apartment blocks in Vancouver, under bulk permit 3229, several thousand brochures appealing for funds? Because of the importance of this appeal to the fund raising activities of the foundation on behalf of the handicapped of British Columbia, I wonder if the minister could inform the House what action he has taken on the matter.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I understand that immediately upon complaint the matter was referred to the investigation department of the Post Office. It has virtually completed its investigation, but a very important part of that investigation is a meeting with the executive director of the Kinsmen Club, and for one reason or another they have been unable to arrive at a suitable date for such a meeting. When that meeting is held with the executive director of the Kinsmen Club, I would then consider the investigation completed and would then be in a position to see what corrective measures might be taken, if any.

Mr. Dinsdale: In view of the fact that the Kinsmen Foundation complaint has provided specific details as to where delivery failure took place, I wonder if we could have the assurance of the Postmaster General that delivery will take place without further costs to the foundation.

Mr. Mackasey: The hon. gentleman can have my assurance that, once the investigation is completed, if upon reading the results of that investigation I find that in any way the Post Office has been remiss in its duty, then certainly we would want to make that type of adequate compensation, but I am still not convinced that the Post Office is necessarily at fault. The meeting with the executive director of the Kinsmen Club is very germane to the decision.

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[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST THAT COMMISSION CEASE SETTING DEADLINE FOR ELIGIBILITY—GOVERNMENT POSITION

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like to direct a question to the Minister of Manpower and Immigration.

Since the Unemployment Insurance Commission continues to apply internal regulations, which do not even have force of law, concerning the deadline for benefit claims, in spite of the fact that an umpire of the federal court has qualified this policy illegal and that a number of unemployed are thus deprived of benefits, could the minister tell this House whether he intends to take steps to put an end to these administrative practices of the Unemployment Insurance Commission?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, to the best of my knowledge with few exceptions the regulations made by the Unemployment Insurance Commission under the authority of the Governor in Council have to pertain to, and have their power from, the act itself. If in the odd case there is a regulation which does not meet favour in the appeal system through the courts, then that is corrected. That is normal procedure.

* * *

TRANSPORT

EFFECT OF SUBSIDIZING NEW STEAMSHIP SERVICE FROM GREAT LAKES TO ST. JOHN'S, NEWFOUNDLAND

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Transport. However, in his absence I will direct it to the Acting Minister of Transport. I was wondering if the minister is aware of a new steamship service commencing in the first part of April, 1976 from the Great Lakes direct to St. John's, Newfoundland. May I ask the minister if a subsidy is being provided from the national treasury for this new service? Has a study been made by the department to ascertain what effect this will have on Canadian National shipping through the port of North Sydney into Newfoundland, with particular reference to employment at those docks and at Port aux Basques and also the general employment with the CN system in the Atlantic provinces?

Hon. Ron Basford (Acting Minister of Transport): Mr. Speaker, I will have the Minister of Transport determine what, if any, subsidies have been paid and what, if any, analyses have been made of that service.

Mr. Muir: I realize the minister is at a disadvantage today, being in several portfolios at once, but would he ask the Minister of Transport to advise the House if it is the intention of this government to take people's money and give it to private corporations as a subsidy, thereby competing against Canadian National ships and creating more unemployment in Port aux Basques, Newfoundland and North Sydney, Nova Scotia? I refer particularly to Clarke Steamship.

Mr. Basford: I will determine the precise answer to that question, but it is the objective of the Minister of Transport and this government to spend public moneys in providing to Canada and Canadians the most effective and efficient transportation system possible.

* * *

FOREIGN INVESTMENT

TAKEOVER OF WESTINGHOUSE—REQUEST FOR REPORT

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Will the minister advise the House of the situation regarding Westinghouse Canada, White Consolidated and General Steelwares? Has a decision been reached on this matter?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I wish to thank the hon. member for giving me notice of this question. As he, I think, knows, I returned only Tuesday of this week. There was not time for me to review the new evidence which came in during my absence, but I have scheduled a full meeting with regard to this for next week, and barring some unforeseen circumstances which I do not anticipate at the moment, it should be possible to announce a decision late next week.

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[*Translation*]

COMMUNICATIONS

REQUEST FOR REPORT ON NEGOTIATIONS WITH PROVINCES CONCERNING BROADCASTING

Mr. Louis Duclos (Montmorency): Mr. Speaker, I would like to direct a question to the Minister of Communications.

Wednesday in Montreal, referring to the federal provincial dispute over communications, the minister said, and I quote:

> Nobody has ever even tried to negotiate concrete agreements to know how far the federal government was prepared to go in its proposals.

Could the minister tell the House whether the government soon intends to take the initiative of indicating to the provinces how far it is prepared to go in its proposals, and when will the minister be ready to outline in the House the major principles of those proposals?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, in that part of my speech, I referred to the attitude of some provinces which took a take-it-or-leave-it position, that is to say we had either to deny that the federal government had a predominant responsibility in the field of communications, or to have no negotiations whatsoever. Now, my whole speech was to say that apart from that take-it-or-leave-it logics, there are parameters on which there can be some discussion. For the hon. member's information, I intend to visit the provinces to meet my provincial counterparts to determine what the needs of the provinces in the communications field are exactly and to see, in the light of offers which were already known by the provinces, what arrangements the federal government can make to meet these needs.

* * *

● (1150)

[*English*]

AGRICULTURE

RESPONSIBILITY FOR DETECTING OUTBREAK OF BLUE TONGUE—REACTION OF UNITED STATES AUTHORITIES

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, may I direct my question to the Minister of Agriculture? It relates to a new development to do with the livestock disease, blue tongue. I thank the minister for passing along the background paper relating to the new embargo in Great Britain preventing the entry to that country of Canadian livestock. The reason for the embargo is the disease, blue tongue. May I ask the minister how this particular outbreak was detected? I am thinking particularly of the outbreak on the border between British Columbia and the United States. Was it detected as a result of our own, Canadian health of animals tests, or as a result of the recently announced United States policy under which U.S. authorities monitor shipments of live Canadian cattle to that country? Did they do the testing, and were we advised of the result?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think the disease was detected by our own inspection service, which checks on all imported animals. We believe the disease may have been transmitted by an imported bull brought into the herd from the United States. The herd is right on the border between British Columbia and the state of Washington. Or, it could have been transferred to the herd over the fence. We are concerned.

An hon. Member: That's enough bull, now.

Mr. Whelan: We still feel that our herds in Canada are free of blue tongue and we have done everything possible to eradicate the disease.

Mr. Hargrave: A supplementary question, Mr. Speaker. May I ask the minister if there has been a response from the United States health of animals authorities with regard to this specific incident?

Mr. Whelan: Mr. Speaker, I am not sure if there has been a response on this specific instance.

NORTHERN AFFAIRS

REASON FOR DELAY OF DECISION ON DRILLING IN BEAUFORT SEA—TYPE OF INFORMATION NEEDED PRIOR TO DECISION

Mr. Wally Firth (Northwest Territories): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. A news report in one of today's newspapers alleges that the cabinet has delayed for one month issuing a permit to Dome Petroleum for the drilling of oil in the Beaufort Sea. Why was the decision delayed for only one month?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, the government felt that additional information was required before it would be in a position to take a final decision. Pending receipt of necessary information, we delayed for one month.

Mr. Firth: A supplementary question, Mr. Speaker. For what information are we waiting? Would the minister consider delaying this decision for more than one year? Also, can he estimate how an intervention by the United States would affect the decision?

Mr. Buchanan: Mr. Speaker, there are indications from the United States that they would like to study the information. The authorities there are concerned about the effects of a blowout on the north coast. They are worried about the ramifications. These and other factors we shall need to examine further, prior to taking a decision at the end of one month.

* * *

AGRICULTURE

EFFECT ON EXPORT TRADE OF REMOVAL OF TRANSPORTATION SUBSIDY ON FLOUR—GOVERNMENT ACTION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question to the Minister of Agriculture arises from the government's intention to remove, effective April 1, the subsidy paid for the transportation of flour and grain which is to be exported from eastern Canadian ports. Has the minister examined the impact of this proposal on the flour and grain industry, and on other related industries in Canada? If so, can he say what impact this action will have on our flour and grain export trade? I ask this as Canadian flour exports in the past 20 years have declined dramatically, and the government's action will reduce further our penetration of the important market for these commodities.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, may I answer the last part of the question first? I think the hon. member knows that more countries now mill their own flour. It is easier to transport grain to many parts of the world than to transport flour. We are concerned about what milling in other countries may do to the flour milling industry in eastern Canada especially. At present we have studies under way. I have been in touch with the President of the Treasury Board, to discuss this in detail.

Mr. Mazankowski: A supplementary question, Mr. Speaker. What action is the minister's department, or associated departments, prepared to take, in order to increase Canada's penetration of the export flour market, our share in which declined by 50 per cent in the past 20 years while world demand increased by 50 per cent.

Mr. Whelan: Mr. Speaker, I can only repeat what I said earlier. As the hon. member knows, many countries have received help for establishing milling facilities within their own borders. Our wheat is being moved to those countries. They are using our commodity. This is how they want to do it and we are selling all the wheat we can, as I am sure the hon. member knows.

* * *

ANTI-INFLATION PROGRAM

SUGGESTED PROVISION OF SAFEGUARDS AGAINST POSSIBILITIES ENVISAGED BY MR. TURNER

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question to the Prime Minister relates to the revealing statement recently made by the former minister of finance who described the government's incomes control program as being extremely restrictive of personal freedom and suggested that because of its open-endedness, it will lead to totalitarian rule. Has the Prime Minister discussed these revelations of the former minister with the cabinet? If so, is the government prepared to review the program and provide safeguards, to guard against eventualities to which the former minister alluded?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as I said earlier, I do not think it is proper for me to reveal everything which goes on in cabinet. When the matter is of such high importance as the alleged quotation of the hon. member I, of course, could not answer the question.

* * *

MANPOWER

MEASURES TO ASSURE CANADIAN HELICOPTER PILOTS ARE GIVEN JOB PREFERENCE

Mr. Roger Young (Niagara Falls): Mr. Speaker, my question is for the Minister of Manpower and Immigration. As large numbers of Canadian helicopter pilots, who, incidentally, received expensive training in this country are unemployed—

Mr. Nielsen: At Niagara Falls?

Mr. Young: —and as foreign pilots still seem to get the best if not the largest number of available jobs, especially in the far north, would the minister consult on this matter with his manpower officials, to make certain that unemployed Canadian pilots are given job preference and thus ease our unemployment difficulties?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I shall certainly take note of

the hon. member's question and look into the matter immediately.

* * *

ENVIRONMENTAL AFFAIRS

SUGGESTED REFERENCE OF ENVIRONMENTAL IMPACT OF DRILLING IN BEAUFORT SEA TO STANDING COMMITTEE

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is for the Minister of the Environment. In view of the decision to delay issuing oil drilling permits in the Beaufort Sea, and as the Minister of the Environment said that drilling operations in the Beaufort Sea would cause substantial environmental impact, whether or not polluting incidents occur, would the minister consider referring the question of environmental impact of drilling in the Beaufort Sea to the appropriate standing committee of this House for special study?

Hon. Jean Marchand (Minister of the Environment): Mr. Speaker, a committee of technicians has studied the matter. We have the report and I think the hon. member, too, has a copy of the report. I think it was discussed this morning in the Standing Committee on Fisheries and Forestry. Now, the matter is before cabinet and I am waiting for an answer.

* * *

INDUSTRY

TRIDENT AIRCRAFT CORPORATION—REQUEST FOR GRANT

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question for the Minister of Industry, Trade and Commerce concerns Trident Aircraft Corporation of Richmond, British Columbia. As the British Columbia Development Corporation and the shareholders of the company agreed to put up a considerable sum of money if the federal government will either guarantee a PAIT loan or grant, can the minister say if there is to be a favourable decision shortly, or any decision at all on the matter?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I was not aware of the most recent development concerning the British Columbia government, but I am glad to see that it supports the company. Prior to this question this morning, about three or four weeks ago, I instructed our officials to be in touch with Trident with regard to any additional help that we might give. The hon. member already knows that we have put a significant amount into that project. I will certainly follow up this new information to see if it helps matters.

* * *

● (1200)

AGRICULTURE

BROILERS—GOVERNMENT ACTION TO CURTAIL IMPORTS

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is for the Minister of Agriculture. Earlier in the question period the minister stated that the broiler industry is being put out of business because of cheap imports into Canada. Does his government condone this type of action? If not, what are they going to do about it?

[Mr. Andras.]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we are concerned about it, but it is up to the broiler producers themselves. We have legislation to give them protection if they follow proper procedures and prove that they have supply-management within their industry at the present time. I stated there were cheap imports being brought in from the United States. I did not say they were being dumped.

TOBACCO—GOVERNMENT ACTION TO INCREASE RETURNS TO PRODUCERS

Mr. Bruce Halliday (Oxford): Mr. Speaker, my question is also for the Minister of Agriculture. In view of the low prices prevailing this year at the tobacco auctions and the difficulty tobacco farmers are having in meeting their costs, does the minister feel these concerns are justified? Is this something within the purview of his ministry? If this is a problem, what will he do about it?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think that some of the concerns are justified. I will not go so far as to say they are all justified. I met with tobacco growers from Nova Scotia, New Brunswick, Prince Edward Island, Quebec and Ontario this week. They are concerned about the buying authority in the tobacco industry and how much real competition there may be in the buying authority. They are concerned about the fact that they have an 18 months supply and there are imports coming into Canada from the United States and other parts of the world which take away the markets from these producers. They also talked about a national marketing board for tobacco.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. SHARP—REMARKS OF HON. MEMBER FOR YORK-SIMCOE IN YESTERDAY'S DEBATE

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I rise on a question of privilege, of which I have given you notice. Last night the hon. member for York-Simcoe (Mr. Stevens) violated the practice of this House by making unsubstantiated allegations about unspecified ministers. At page 11926 of the debates for yesterday, the hon. member is recorded as saying:

> "Do as I say, not as I do" appears to be the creed of the present administration. Surely, Mr. Speaker, this type of thinking is shown up so clearly in the judge's affair that is now before us. What administration at a senior level of government in Canada other than this administration would be allowing cabinet ministers who have acted illegally to carry on in their posts?

I would draw your attention, Mr. Speaker, specifically to the reference to "the judge's affair" and then to the way in which, in relation to that affair, it is alleged that certain ministers have acted illegally. The Minister of National Health and Welfare (Mr. Lalonde), in accordance with proper parliamentary practice, immediately rose on a question of privilege, inviting the hon. member for York-Simcoe to specify which ministers he had in mind, or completely to withdraw the charge of illegality. He indicated that if the matter was not disposed of at that time, it would be pursued. My parliamentary secretary also indicated that in the absence of an immediate ruling from the Chair, the matter would be pursued. The Acting Speaker merely admonished the hon. member for York-Simcoe for imputing motives.

The proprieties of this House in matters such as these are quite clear. Not only must a member wishing to charge another with misconduct be specific, but he must be willing to stake his seat on being able to prove his charge.

Some hon. Members: Hear, hear!

Mr. Sharp: This practice was developed in order to prevent the destruction of order in this House by reducing its deliberations to innuendo and smear. I therefore demand, Mr. Speaker, that the member for York-Simcoe either make a specific charge of illegality against specific ministers, and stake his seat on being able to prove it, or that he withdraw his statement.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, quite frankly, I am rather surprised—

Some hon. Members: Oh, oh!

An hon. Member: You are always surprised.

Mr. Baker (Grenville-Carleton): I am glad the members are enjoying themselves. I repeat that I am rather surprised to see the government House leader rise, in these circumstances, with regard to matters that have been described as acts of wrong-doing by the government, by columnists and, indeed, by the Prime Minister (Mr. Trudeau). In fact, I am extremely surprised. Perhaps, before I deal with the merits of the question of privilege, the fact that the government House leader has seen fit to rise on this matter, which indirectly affects the judiciary and the ministry in Canada, is the best argument we have heard yet for the judicial inquiry we are demanding.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I would now like to get to the merits of the question of privilege. With respect, what you have to decide, Mr. Speaker, is whether this is indeed a question of privilege, carrying with it certain responsibilities, or whether it is simply a further development of a basic disagreement that has become apparent in this House over the last 12 days of intensive discussions on this important public matter. My respectful submission to you, sir, is that it is nothing more, in the final analysis, than the latter rather than the former to which I am referring. I want to give some examples. On July 30, 1975, the hon. member for Central Nova (Mr. MacKay) rose in this House on a question of privilege arising out of remarks made to him by the Minister of Labour (Mr. Munro) with regard to certain very contentious and questionable matters about the conduct of the minister. He said, and I quote from page 8075 of *Hansard* for July 30, 1975:

—Mr. Speaker, as recorded at page 8026 of *Hansard*, the minister accused me of "indecency in casting innuendoes"—

Your Honour ruled at that time. You said:

The only question which remains is that raised by the hon. member for Central Nova concerning the language used yesterday by the Minister of Labour, indicating that what I understood to be remarks made by the hon. member, always in the House and always recorded in *Hansard*, were indecent in their innuendo and disgraceful in the conduct of the hon. member. That is an opinion that has been expressed in this House openly by the minister. The hon. member for Central Nova has taken offence at this. This is the chamber for disagreements. That is a classic case of one of them. It would have to be otherwise, in my opinion, in order to found a prima facie case of privilege, namely, that the language of the Minister of Labour was unparliamentary.

● (1210)

In examining the precedents I am unable to find the expressions he has used and the way he has used them are in any way unparliamentary. They simply contain and inflame the disagreement between the two hon. members. If we are to adjourn for a prolonged period later this day, or some day soon, perhaps it will be a pity, because the disagreement is becoming entertaining. Nevertheless, it is still a disagreement and not a question of privilege.

This was your ruling with respect to those extremely strong words at that time. My respectful submission is that there was nothing wrong with that ruling then, and that it applies now. The second matter which I should like to bring to your attention, Mr. Speaker, is this: I have looked at Beauchesne's fourth edition to determine whether or not the word "illegal", in the context in which it was quoted by the House leader, appears there. I can find no substantial authority to support the submission he made, and I note that the government House leader failed to bring forward any substantial authority from May's, Beauchesne's or any other learned work. At best, it is a matter of debate, in my respectful submission.

I now turn to another matter. How should we view questions of privilege or alleged questions of privilege when they are raised in the House of Commons? I am returning to an incident which occurred in this chamber and which led to a ruling by Your Honour on June 4, 1975. The Prime Minister had accused a former prime minister, my right hon. friend from Prince Albert (Mr. Diefenbaker), using these words:

—he made the largest land grab when he was in office that was ever made by any private citizen of Canada.

That was the accusation directed at that time by one prime minister against a former prime minister. The Prime Minister went on to say of my right hon. friend that he was "adding thousands of acres of land for his private enjoyment." That, Mr. Speaker, was a fairly strong accusation, even in a chamber which you said is a House of debate. Dealing with questions of privilege and how they should be regarded, Your Honour had this to say:

The definition of privilege is one which has been strictly adhered to and narrowly interpreted constantly . . . In my view—

Here the view of Mr. Speaker Michener was being expressed.

—parliamentary privilege does not go much beyond the right of free speech in the House of Commons and the right of a member to discharge his duties in the House as a member of the House of Commons.

That was Your Honour's first point in defining what constituted a question of privilege. In the second place, you said, and I am quoting from page 6431 of *Hansard* for June 4, 1975:

The second thing which seems to be agreed upon is the way in which privilege should be interpreted and that we ought not to extend it lightly.

Further, Mr. Speaker, you said:

The third point on which there is agreement is that a dispute as to facts, a dispute as to opinions and a dispute as to conclusions to be drawn from an allegation of fact is a matter of debate and not a question of privilege.

If there is anything which is a matter of debate or a question of conclusions to be drawn, it is the item which has just been raised by the government House leader. Your Honour then went on to say this, as reported at page 6432 of *Hansard*:

Accordingly there is some wisdom in the process that if one wishes to complain about what another member has done or said it should be done in the form of a complete charge rather than by way of an alleged question of privilege.

That is the onus which lies upon the government House leader or upon whoever might wish to lay a charge. I have to say there have been occasions in the House where the words "illegal" and "illegality" have been used, and nothing has come from those words other than their strength in a hotly-felt issue involving disagreement and debate. A debate, I know, has to be carried on within certain bounds of taste, but those bounds of taste should not be construed so as to prohibit the widest ranging discussion of matters of public interest.

What indication is there that the word "illegal" was used and went unchallenged? I would remind Your Honour of what took place on September 21, 1971. The issue at that time was whether or not the government was acting illegally in the withholding of certain payments to farmers in western Canada. The peace-loving member for the constituency of Peace River (Mr. Baldwin) said this, referring to what he later called an illegal act:

I would add in this regard that if the action of the Minister of Finance who, under the act is charged with responsibility is, as I assume it to be, the collective action of the government and the cabinet, then they are all tainted with the same misdemeanour and this would be in effect a collective agreement to break the law, a form of conspiracy.

Those were words even stronger than were used on this occasion. The government was not so thin-skinned on that occasion and did not object to those words at the time. In conclusion, I want to say it is an arguable point whether the word "wrongdoing", as used to describe the conduct of one minister by the Prime Minister himself, cannot by definition include the word "illegal".

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): The Prime Minister himself said he purposely left the expression fuzzy. It is important that the debate be allowed to carry on within reasonable bounds. Many things might be said about the hon. member's statement, but certainly not that there has been a breach of the privileges of any of the members of this House so that they, to use Your Honour's own words, could not carry on their duties as members of parliament. That is the issue.

[Mr. Baker (Grenville-Carleton).]

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it is true that last night the Parliamentary Secretary to the President of the Privy Council (Mr. Blais) reserved his minister's right to raise this matter today. I suggest he had such a right anyway, but no one is challenging it and I think there is a point in the fact that this reservation was made last night. But I do object most strongly to the President of the Privy Council (Mr. Sharp) alleging he is quoting the record but not quoting all of it.

Mr. Paproski: Shame!

Mr. Knowles (Winnipeg North Centre): He said, for example, that all the Acting Speaker did last night was to admonish the hon. member for York-Simcoe (Mr. Stevens) and to tell him to get back to the bill. It is true that, as reported at the second column of *Hansard* for March 18 at page 11926, the Acting Speaker said words to that effect. But I would point out that immediately after the Minister of National Health and Welfare (Mr. Lalonde) raised his question of privilege against the hon. member for York-Simcoe, in the first column of *Hansard*, at page 11926, the Acting Speaker said:

Order, please. I do not believe the hon. member made any specific charge. He did not name a specific minister.

I suggest that is part of the argument. I also suggest that when the government House leader attempts to raise a matter and quote the record, he should quote all the record and not just part of it.

Some hon. Members: Hear, hear!

● (1220)

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): I commend the hon. member for Grenville-Carleton (Mr. Baker) on the case that he has just made, and I commend him in particular on the quotations he found and used, notably from yourself, concerning the fact that this is a place of debate. We have had far more serious incidents than this one in which Your Honour has told us that this is a place of debate. I suggest that that is the way to view the incident that occurred last night.

On the question of the word used by the hon. member for York-Simcoe, the word "illegality"—

Mr. MacFarlane: No, "illegally".

Mr. Knowles (Winnipeg North Centre): The word "illegally". As I suggested to the President of the Privy Council, I want to quote the record correctly:

—allowing cabinet ministers who have acted illegally to carry on in their posts.

The Acting Speaker said, by the way, that that was not a specific charge. On this very question we have for two weeks or more had the Prime Minister of this country trying, under the guise of semantics, to find some differ-

ence between "acting illegally", "acting improperly", and "indulging in wrongdoing".

Some hon. Members: Shame!

Mr. Knowles (Winnipeg North Centre): I suggest, Mr. Speaker, that the Prime Minister (Mr. Trudeau) has used semantics to evade the issue. It is not what you call it, whether an illegal act, a wrongdoing or an impropriety that identifies what happened. I can think of many improprieties that are far more serious than certain illegalities. I suggest that what Your Honour has to look at is the quality of the act. In our view, the quality of the acts of certain cabinet ministers, and the quality of the act of the Prime Minister in covering up this whole thing for the last two weeks, is bad—and, in my view, calling that a wrongdoing or an impropriety makes it just as bad, if not worse, than if I were to call it an illegal act. So I suggest to Your Honour that in considering this case you will have to review your own pronouncements about this being a place of debate, and you will also have to do some very careful analysis of semantics as to the meaning of these various words.

My hon. friend from Grenville-Carleton has done the job very well, but there is just one further thing I should like to say. It is a bit annoying, speaking of the double standards there are around here—

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): —that almost every time some criticism or accusation comes from this side of the House we have these fellows on the other side jumping up and saying, "Lay a charge. Put your seat on the line".

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): And the backbenchers applaud, as they are doing now. But when accusations come from the other side, we do not hear the cry, "Lay a charge". The Prime Minister, by innuendo, has been downgrading Mr. Justice Mackay through the whole of this affair, but he has laid no charge.

Some hon. Members: Shame!

Mr. Speaker: Order, please. The problem itself is complicated enough without seeking other fields to complicate it further. I think it would be better if we stuck to the question of whether or not a question of privilege exists regarding the language of the hon. member for York-Simcoe.

Mr. Knowles (Winnipeg North Centre): I agree with you, Mr. Speaker, but I remind you that the closing words of the President of the Privy Council were a demand that the hon. member for York-Simcoe lay a charge and put his seat on the line. I suggest that if the opposition is being told that it must lay a charge, the standard should apply both ways. Today the hon. member for Matane (Mr. De Bané) made accusations against Mr. Justice Mackay. But did he lay a charge? The President of the Privy Council likes to attack me all over the place, but he never lays a charge.

I suggest that the basic procedural issue is whether or not the hon. member for York-Simcoe went beyond the bounds of propriety in his words last night, and that is for you to decide. I suggest the issue is not one for the President of the Privy Council to becloud and fudge by this old cry that members of the opposition, every time they make an accusation, must lay a charge. It is a form of evasion; we have had enough of it.

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, my own privileges are being affected by the hon. member for York-Simcoe (Mr. Stevens). He referred to ministers, without naming my name. I was not in the House and this is the first occasion I have had to ask him to make a charge or withdraw and apologize. The hon. member has said that some ministers acted illegally. When this incident was first printed in the newspaper, I sent a letter to the judge who made the accusation, and within 48 hours he withdrew his charge and apologized. The week after that, the paper that printed the story withdrew its charges and apologized to the hon. member for Saint-Maurice officially on the front page of the paper. I think the hon. member is making a very serious accusation and he should at least apply the standard used by the two people I mentioned earlier who withdrew their charges in my case.

In addition to that, the Minister of Justice (Mr. Basford) the other day, as the legal adviser to the Crown, stated there was absolutely no illegality in the actions of the three ministers mentioned. Since my personal privileges are affected, I ask the hon. member to withdraw his charge or to face the consequences of his actions and put his seat on the line.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have been brought into the debate by both members opposite. Perhaps in one case it was by way of a red herring, but in the other case it may have been more important. In the first case, the hon. member for Grenville-Carleton (Mr. Baker) referred to the land grab during the regime of the right hon. member for Prince Albert (Mr. Diefenbaker). I know Your Honour would be impatient if we returned to that one, but it was brought in as a precedent. I just want to remind the House of your judgment, sir, in that matter. It was that I did not allege anything wrong or any illegal wrongdoing or impropriety. Your judgment was to the effect that I said this had been done to the benefit of the institutions of this country and that I had personally said the facts were known to the House: they are that around 1958 these acres which were in the NCC were suddenly used for the purpose of the prime minister. Those were the facts on that. I say this is probably a red herring.

● (1230)

On the other point, the semantics about wrongdoing, I want to make it quite clear that I did use the word advisedly. If hon. members remember my statement and the questions asked by the Leader of the Opposition (Mr. Clark), they will note I used it as a general and—and I specify—a vague term because I meant to cover, and I say this quite clearly, illegalities and improprieties. I indicated that I used this term, but I asked the House what should follow from each of these courses. I said the wrongdoing, which is the illegality, is not alleged by anybody. As a matter of

fact, we now have opinions that there was no illegality, but there was some wrongdoing which was an impropriety, for which there was an apology.

Members talk about a cover-up. They say we are not coming clean, and so on. On the contrary, there was no illegality, but there was an impropriety, and in the case of the impropriety there was an apology. The House disagrees, or some of its members do, as to whether the punishment was proportionate to the offence, but that is an arguable point.

The point I am making is that for that impropriety there was an apology. If we are charged with an impropriety, we do not hurl back a privilege, we answer it. We say either it was improper and we apologize, or it was not improper and we argue it. There is no attempt to hurl back any charge of being out of order or, indeed, of anyone trying to make innuendoes which are not substantiated. We argue a point that is not very different from what Mr. Justice Mackay himself said. He obviously accused the President of the Treasury Board (Mr. Chrétien) of doing something presumably illegal—interfering with the courts. He then had to withdraw, and he apologized. The minister accepted his apology. Should Justice Mackay resign because he has committed the impropriety of a false allegation?

Some hon. Members: Hear, hear!

Mr. Trudeau: The House may think so, but everyone accepted his apology, beginning with the minister, and that ended the matter. This is what I have to say about the use of the word "improper", that I used it to cover both aspects. What I do find extraordinary is the argument made by the hon. member for Grenville-Carleton that the point argued by the President of the Privy Council (Mr. Sharp) just shows that an inquiry is needed. This brought great applause from the ranks of the Tories.

Some hon. Members: Hear, hear!

Mr. Trudeau: I would urge Your Honour to think of this in bringing down your ruling on the point argued by the hon. member for Grenville-Carleton and the hon. member for Winnipeg North Centre (Mr. Knowles): all I would have to do is accuse them both of illegality. There is nothing wrong with accusing them of being thieves and committing crimes. There would be no question of privilege and no point of order here. But if they then objected, I could say, "Okay; we will start an investigation into the hon. member for Grenville-Carleton and the hon. member for Winnipeg North Centre and that will prove my point." They are objecting to my saying that they are crooks, and because they are objecting we have a mandate to investigate that. Mr. Speaker, this does not make sense.

Some hon. Members: Hear, hear!

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the question of privilege raised by the House leader involves the use of the word "illegal" by the hon. member, and I would just like to make a short intervention. Clearly, "illegal" means contrary to the law. The Table has run out of dictionaries, but I should like to quote from Fowler's second edition, which states:

Illegal is most precise, with its meaning of contrary to the law of the land.

In considering the question of privilege before you, Mr. Speaker, I would urge you to consider my statement on page 11855 of *Hansard* as follows:

Upon receipt of Chief Justice Deschênes' letter, I immediately and forthwith referred it, as I have informed the House, to the law officers of the Crown, as was my duty, obligation, and responsibility as Attorney General. I have also informed the House, as reported at page 11749 of *Hansard*, that it was referred to the senior law officers of the Crown and that the contents of the Chief Justice's letter disclosed to the chief law officers no violation of any law by any minister, and I so advised the Prime Minister of that fact. If there is any doubt on that question, Mr. Speaker, I would be happy to table my letter to the Prime Minister.

That is what I then did, Mr. Speaker. The hon. member for York-Simcoe (Mr. Stevens) used a very precise word in the allegation which previously has been very clearly stated in this House, and very clearly stated this as untrue. He has affected not only the privileges of the three ministers involved but my privilege as Minister of Justice. If he wants to get up and say I have misinformed the House, he had better damned well do so.

Some hon. Members: Hear, hear!

An hon. Member: Oh, is that Basford tough!

Mr. Erik Nielsen (Yukon): Mr. Speaker, I intervene because I think there are one or two serious, overriding questions Your Honour has to decide. I am not so certain, as appears to be the hon. member for Winnipeg North Centre (Mr. Knowles), that there is a right to raise this question of privilege in the manner in which it has been raised, in light of the proceedings which transpired last night. Let me quote from the current edition of our provisional standing rules. Standing Order 17(1) sets forth the following:

Whenever any matter of privilege arises, it shall be taken into consideration immediately or at a time appointed by Mr. Speaker.

The matter arose last night and there was no time appointed by Mr. Speaker last night at which the matter would be discussed. Notwithstanding the caveat filed by the parliamentary secretary, the Speaker last night appeared to have dealt with the matter. He said, as reported at page 11926 of *Hansard* when the question of privilege was raised by the Minister of National Health and Welfare (Mr. Lalonde), after calling the House to order:

I do not believe the hon. member made any specific charge. He did not name a specific minister.

There followed a caveat filed by the parliamentary secretary, and the Speaker again said, as recorded in the right-hand column of the same page:

Order, please. I would suggest that the hon. member should not impute motives in that way, and that we get back to Bill C-89.

My submission to you, Mr. Speaker, is that the matter was disposed of last night and that rule 17(2) was never put in the Standing Orders to be used in the fashion attempted to be used now. Even if that argument is not acceptable to you, Mr. Speaker, there is the suggestion in the concluding part of the notice of the question of privilege that in the event the Chair finds that the use of the term "illegal" was not parliamentary and was improperly imputing motives to a minister or ministers, the consequence of that action would be that the member would

either have to make a specific charge against a specific minister or ministers and follow that by substantiating the charge or charges, and failing that, his seat would be forfeit. I think a very careful examination of the precedents will disclose that there is no Standing Order, rule or precedent that would require that consequence.

● (1240)

I have had occasion to be fairly close to this particular question in the past, on more than one instance in this House of Commons. I can assure you, sir, that the best opinion I obtained after advice from the officers of the House was that there simply is no rule or precedent of the House which would require a member to stake his seat on the outcome of an unsubstantiated charge.

With regard to the question of illegality, the use of the term "illegal" and other parliamentary expressions, there is a list of them in May's eighteenth edition at page 434. There is a further list of those expressions in Beauchesne's fourth edition which starts at page 130 and continues. I could call the member for St. Boniface (Mr. Guay) a jackass. I will not do it, but the fact is that in the past this has been held to be rather unparliamentary. May I draw the attention of the Chair to the fact that during the sitting of 1975 I charged the government with being illegal. Today I so charge it with continuance of an illegal act in not tabling the financial statements that the government is required to table on the Northern Canada Power Commission—

Some hon. Members: Hear, hear!

Mr. Nielsen: —which it is clearly required by the law to do and which it has refused to table since 1971. So I do not think any great exception should be taken to an assertion by a member on this side of the House that an act of the collective ministry is an illegal act. That is the situation in respect of the hon. member for Simcoe-North (Mr. Stevens) last night.

Some hon. Members: Sit down.

Mr. Nielsen: Hon. members on the other side of the House are experts in arrogance. The hon. member was speaking of the collective ministry when he was describing conduct. I have been sitting here throughout the questions on the so-called "judges' affair". I heard the Minister of Justice (Mr. Basford) say that the law officers of the Crown had been asked for an opinion as to the nature of the actions complained of, and their view is that the acts were not illegal. I ask, sir, how in the world could they come to such a conclusion without being in possession of all the facts which this side has been trying to elicit from the government?

I ask, in respect of the term "illegal", how can the Prime Minister (Mr. Trudeau) or any other minister prejudge the issue of conduct and whether it is legal or illegal, proper or improper? Surely, that is not their province. I can lay a charge and I can express the same kind of opinion, with equal validity, as the Prime Minister. The Prime Minister and, obviously, the government House leader came to the conclusion that the conduct of the Minister of Public Works (Mr. Drury) was not illegal but was improper. It is just as proper for me to reach the contrary view. A reading of section 127 of the Criminal Code leads me to the conclusion that there is sufficient evidence to constitute a *prima facie* case of obstruction.

Some hon. Members: Hear, hear!

Mr. Nielsen: I do not think it is my province to reach a judgment as to whether that conduct is legal or illegal, proper or improper: that is the province of the courts, or of a special inquiry.

Some hon. Members: Hear, hear!

Mr. Nielsen: Surely, we on this side have the same right and the hon. member for York-Simcoe has the same right to express an opinion in respect of the conduct of the Minister of Public Works as does the Prime Minister. It happens to be a contrary opinion. The member did not say that any minister broke the law.

Mr. Sharp: Of course he did.

Mr. Nielsen: The words of the hon. member for York-Simcoe were:

> What administration at a senior level of government in Canada other than this administration would be allowing cabinet ministers who have acted illegally to carry on in their posts?

Mr. Mackasey: Mr. Speaker—

Mr. Speaker: Order, please. I am trying very hard to consider the relevancy of the argument being put forward. So far the hon. member for Yukon (Mr. Nielsen) is making an argument that is relevant, and I should like to hear its conclusion. There is one difficulty: everybody involved in this argument up to this point has been trying to give us an interpretation of what was meant by the hon. member for York-Simcoe. Perhaps we should leave that to him.

Mr. Nielsen: Mr. Speaker, I will make one final point which is extremely basic and which has been expressed by the hon. member for Winnipeg North Centre (Mr. Knowles). I listened with alarm to the hon. member for Champlain (Mr. Matte) when he moved his motion under Standing Order 43. I listened with the same alarm today when the hon. member for Matane (Mr. De Bané) raised his question with regard to Mr. Justice Mackay. It is my submission that it is highly improper to reflect in this House upon the conduct of any member of the judiciary.

Some hon. Members: Hear, hear!

Mr. Paproski: Shame!

Mr. Nielsen: There is ample precedent—

Mr. De Bané: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Nielsen: There is ample precedent—

Some hon. Members: Sit down.

An hon. Member: Watch your blood pressure.

Mr. Nielsen: There is ample precedent for that. I should like to quote from May's eighteenth edition, commencing

at page 361. Once again I shall try to be brief. In the same publication, at page 417 we find this these words:

Unless the discussion is based upon a substantive motion—

This is what was being referred to by the hon. member for Winnipeg North Centre.

—drawn in proper terms, reflections must not be case in debate upon the conduct of the sovereign, the heir to the throne, or other members of the royal family, the Lord Chancellor, the Governor-General of an independent territory, the Speaker, the Chairman of Ways and Means, Members of either House of Parliament, or judges of the superior courts—

Some hon. Members: Hear, hear!

Mr. Paproski: Resign.

Mr. Nielsen: I am not attempting to smuggle this in as another question of privilege.

An hon. Member: But you did.

Mr. Nielsen: An extremely serious matter has been raised in the debate on this question. While I do not insist, I suggest that the hon. member for Champlain and the member for Matane have a responsibility, amounting at least to a courtesy, to make apologies for their transgressions. I hope sir, that in future, whatever happens in the discussion of this matter, no further reflection will be made upon the members of the judiciary.

Mr. Speaker: The hon. member for York-Simcoe.

Mr. Guay (St. Boniface): On a point of privilege—

Mr. Speaker: Order, please. I would remind hon. members that we are in the process of discussing a question of privilege raised by the President of the Privy Council (Mr. Sharp). The hon. member for York-Simcoe.

● (1250)

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in addition to the arguments that have been advanced by members on this side of the House, I should like to add the following comments. First, I wish to point out that the statement which I made last night was in collective terms as opposed to being specific. Also, the last sentence was a rhetorical statement; it was a question.

Some hon. Members: Oh, oh!

Mr. Stevens: When we are considering the implications of the word "illegal", I believe that essentially we must weigh what is legal and what is illegal. It is a question of opinion, surely, and it is a question of debate. The Prime Minister (Mr. Trudeau) has repeatedly stated that no illegal acts were involved in the affair commonly referred to as the "judges' affair". A few moments ago he stated that there had been no wrongdoing and that he had used that term deliberately. That is his opinion. Others may have a contrary opinion as to when there are illegal acts.

The Oxford dictionary—the Minister of Justice (Mr. Basford) referred to dictionary definitions—states that "illegal" is defined as being contrary to law. The hon. member for Yukon (Mr. Nielsen) has referred to section 127(2) of the Criminal Code which deals with the obstruction or the perversion of justice. As hon. members probably know, that section states that any one who wilfully attempts in any manner to obstruct, pervert or defeat the course of action is guilty of an indictable offence. The fact is that if the government wishes this record to be clear in order to protect itself from any inference of illegality in connection with what has transpired with the "judges' affair," they should facilitate that with a proper adjudication.

The Chief Justice of Quebec has made no judgment except to say that the matter is grave. Certain officers of the Crown have indicated that they feel there is no illegality. That is a legal opinion; there could be other legal opinions. The Prime Minister has said that certain actions have been improper and he has referred to the actions as being wrong or at least as being in the context of wrongdoing. Let us check the Oxford dictionary on this. The Oxford dictionary defines "improper" as meaning "wrong." "Wrong," in turn, is defined by the same dictionary as meaning "contrary to law" which, of course, is the Oxford dictionary's definition of "illegal." In short, the Prime Minister's view that there have been no improper acts means that there have been no wrongful acts, which in turn means that there have been no illegal acts if you follow the Oxford dictionary's definition of these words.

An hon. Member: Wow!

Mr. Stevens: In using the word yesterday evening, I did it in the context to which I referred in my remarks today. The House leader has referred to the Acting Speaker, to use his term, as "rebuking me" by saying:

Order, please. I would suggest that the hon. member should not impute motives in that way—

I believe the House leader has possibly taken the statement of the Acting Speaker out of context because, as I heard that statement last night, I thought the Acting Speaker was rebuking not me but the Parliamentary Secretary to the President of the Privy Council (Mr. Blais).

Some hon. Members: Oh, oh!

Mr. Stevens: If you read the full text you will find that it was the parliamentary secretary who had last spoken. He ended by saying:

If the minister wishes to raise the matter further, then at the time he raises it I hope the Chair will take into consideration that the question of privilege has been raised now seriously, that Your Honour has heard him, and would wish to hear further representations.

I understood that to be an observation that he hoped that the previous decision, that there was no question of privilege, could be left open. The Acting Speaker then said:

Order, please. I would suggest that the hon. member should not impute motives in that way—

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I attempted earlier, and I apologize for it, to ask the hon. member for Yukon (Mr. Nielsen) a question. We have done this for the last 10 or 12 years in these types of debates, and it was meant to be objective. I agree with most of the arguments put forward by the hon. gentleman, particularly when he pointed out that the word "illegal" has different connotations in different circumstances. He pointed out that he himself had once used the word "ille-

gal" in referring to the late tabling of a document as being an illegal act. Last night, in his usual persuasive manner, he put forward his point and stated, from *Hansard*:

> What administration at a senior level of government in Canada other than this administration would be allowing cabinet ministers who have acted illegally to carry on in their posts?

He then went on to persuade the House that the word "illegal" is really a word with different connotations, as I have already said, depending on certain circumstances. But what the hon. gentleman failed to point out is that the word "illegal" in this case is clearly tied to something specific. He neglected to read the first part of the paragraph where he said:

> "Do as I say, not as I do" appears to be the creed of the present administration. Surely, Mr. Speaker, this type of thinking is shown up so clearly in the judges' affair that is now before us.

In other words, the hon. member for York-Simcoe (Mr. Stevens) was using the word "illegal" in respect of the judges' affair and not in any other connotation which, as the hon. gentleman quite properly pointed out, could give a different definition to the word "illegal". So the hon. gentleman has prejudged or predetermined, without the benefit of this inquiry which the opposition has been seeking so desperately, that the acts of the ministers were illegal in the sense that they were in contravention of the law. He compounded this when he blatantly rose in the House today and spoke of all ministers, collectively, which puts a different connotation on it so far as I am concerned because then the hon. member should be prepared to tell the House how the Postmaster General has acted illegally as part of that collectivity in relation to the judges' affair.

The hon. gentleman should have withdrawn his statement entirely, which anybody with any sense of decency would have done. The hon. member has ignored this entirely, and he had full opportunity to act as an honourable gentleman in this House by taking advantage of the opportunity that all hon. members have, which all of us at one time or another have done, including myself, to apologize when sometimes we get carried away. The hon. member has had all evening to reflect on whether or not he had been carried away, as many of us are in debate. He should have asked himself whether perhaps he had not prejudged the event without the benefit of some form of inquiry.

Some hon. Members: Order.

Mr. Mackasey: Having had that opportunity he still refuses to apologize.

Some hon. Members: One o'clock.

Mr. Speaker: Order, please. There are other hon. members who have indicated their desire to participate in this discussion. I would like some guidance from the House as to whether we should allow these arguments to expire shortly after one o'clock, or whether we should return at two o'clock and continue this discussion.

Some hon. Members: Return at two o'clock.

Mr. Speaker: It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Mackasey: Mr. Speaker, I wish to keep my remarks very brief, because before the break I had not realized the significance of the opposition day and the fact that there are many visitors in town who are interested in the future of the dairy industry who, quite properly, want to have the Social Credit party proceed with its day.

I just want to summarize very briefly the point I was attempting to make, that the word "illegal" certainly is very broad in its definition. It can mean a number of things. To a sports buff it can be as simple as an offside in a hockey game, which is an illegal act. As the hon. member for Yukon said, the late tabling of a paper or a document is illegal. However, in this particular case the question of an illegal act has taken on the precise connotation, as it relates to the judges' case, of a criminal act or not a criminal act. It is certainly well beyond propriety, wrong, or even stupid, and I hope the hon. gentleman, who has shown that he is basically a House of Commons man, will understand that some of these rules to which we seem to overreact are really to make the House of Commons work as it should, which is the concern of most of us. As the hon. member for Fundy-Royal (Mr. Fairweather) put it the other day, democracy depends on this House of Commons and the House of Commmons depends on certain basic rules which may look rather silly but in the general context of things make the difference between this House operating and not operating.

This is not Sunday school, it is a debating society, and if we are going to debate, periodically we are bound to go beyond the normal realm of things. We are bound to go beyond what we really intended to say. I had hoped, and still hope, that the hon. gentleman will reflect on my point. By virtue of his own words, "illegal" is related to the judges' case, as we call it, which in the opinion of the House obviously—and I have sat through the question periods—has been unresolved.

If the opposition were firmly of the belief that everything had been resolved, it would not be asking for an inquiry. Rightly or wrongly, the hon. gentleman has left the impression that at least in his mind there is no doubt as to guilt, wrongdoing or illegality which, in the legal sense—as the Minister of Justice (Mr. Basford) pointed out today—has a very narrow context. In the opinion of the hon. member, he does not need an inquiry to establish it; his mind is already made up—and that is very serious.

That is why we have this opportunity of retraction. It is a wonderful opportunity for honourable members—and I stress that phase—to take advantage of the rule which simply says that an hon. member can get up and apologize if he has perhaps gone too far. The hon. member could get up and say that he used the world "illegal" as he uses it in everyday jargon to cover a broad spectrum of acts, some which are simply improper, some stupid and, as I mentioned, some where rules are clearcut and defined in sports as illegal acts.

This is why we have this opportunity, and this is why, despite the fact that we say we should refer this to a special committee or "put your seat at stake", in the 15 years I have been around here that has happened very

infrequently. As a matter of fact, it happened in one case when Liberal members were brought to a committee on the pretext that they were trying to seduce certain members of parliament to join our party.

I say, in conclusion, that if I rose to participate in the debate, it was because I am a House of Commons man. I think the House of Commons is the greatest guarantee we have that democracy, as we understand it, will function, because we debate here in front of the press. Some people may not like the press. I happen to respect it and consider it an extension of the House of Commons. We have a chance to debate here. This is a debating chamber, and when we go beyond the law we have an opportunity to take back what we say. I have taken advantage of that. I have stood in my place, apologized and said I had been caught unawares or spoke in the heat of the moment and went beyond what I had meant to do. I have risen in my place because I had to apologize for a leak of documents in my department.

It is one of our fundamental rules that the word of an hon. gentleman is accepted without question. However, I have become a little uneasy in the 15 years I have been here. I think the rules of the game are important to this whole matter, not just to the hon. member. I often sit here uneasy because I sat here through the sixties. We have a tremendous privilege. We have immunity from the normal laws of slander, libel, smear and innuendo which the man on the street does not have. This is the kind of thing which is precious and which should not be abused. I remember in the sixties—and I am not talking about ministers—innocent, junior people in certain ministerial offices, like Guy Lord, whose career as a lawyer was completely destroyed. Never once was he accused of anything; there were simply questions as to whether Guy Lord knew this or that. As a young rookie, I rose and said, "Supposing the events two months from now prove that he was completely innocent of the inferences in those questions: how do we make up for or redress that grave injustice?" That man's career was ruined and was never recovered. Events proved that he was completely, utterly innocent of any wrongdoing.

When the hon. gentleman who likes to lecture now and then, and who seems to be getting crabbier as old age sets in—

Some hon. Members: Hear, hear!

Mr. Mackasey: —says he is just a little tired of our suggesting that people put their seats at stake, we are getting a little tired of the lectures of the hon. gentleman as though he had replaced Beauchesne around here. Well, he has not done so yet. I hope that may come in his retirement years, in the late 1980s, but the hon. gentleman should address himself to the point I am making.

How many times in the question period do questions become facts in the minds of newspaper people who may not have been present, but who get their news third or fourth hand, or in the mind of the man on the street who unintentionally transfers the questions into statements of fact? When an honest question is asked about the conduct of a minister or a backbencher, or about the integrity of a member of parliament or his actions, we all know this quite often becomes translated into fact through the gossip mill of this country. People's careers can be ruined in the question period if questions are not framed with a degree of responsibility.

● (1410)

Some hon. Members: Hear, hear!

Mr. Mackasey: Simply because the sense of responsibility permeates and dominates the House of Commons we, the recipients of the questions, are given the opportunity to say, when we think hon. members have gone too far, "Look, that is an accusation, a reflection on my integrity, on my character, on my name, on my family and on my future. If you have any facts, put up or shut up."

Some hon. Members: Hear, hear!

Mr. Mackasey: Because this is a civilized chamber in which there are civilized people, members usually stand up, swallow their pride and apologize. No one has ever been thought in this House less of for making a mistake and admitting it. The hon. gentleman opposite, who had all last evening to reflect, should remember that my seatmate, the President of the Treasury Board (Mr. Chrétien) has been exonerated. The media of this country apologized to him. Mr. Justice Mackay exonerated him.

Mr. Nielsen: Not quite.

Mr. Mackasey: Perhaps the hon. gentleman opposite is used to abusing the House of Commons because of his great knowledge of the rules. Perhaps the hon. member for Yukon has lost his respect for this chamber.

Mr. Nielsen: Certainly not.

Mr. Mackasey: I have not.

Mr. Andre: You are wasting the Créditistes' time. Come to the point.

Mr. Mackasey: The hon. gentleman talks about wasting time. Why did he not go back to Alberta? He is there, anyway, 40 days out of 50.

Some hon. Members: Oh, oh!

Mr. Mackasey: Mr. Speaker, my point is this: Mr. Justice Mackay did not find it difficult to apologize to my seatmate, the hon. member from Shawinigan. The Chief Justice did not in any way minimize or limit the complete exoneration of that minister . The responsible newspaper which broke the story apologized, which was a courtesy because this matter was not raised in an editorial; it was a news story and they wrote it in good faith. Everybody has apologized except the hon. gentleman who last night raised certain questions. By implication, they point to ministers, and the suggestion is that they committed an illegal act, even though Chief Justice Deschênes said otherwise.

Mr. Nielsen: No, he did not.

Mr. Munro (Esquimalt-Saanich): He did not judge them at all.

Mr. Mackasey: If hon. gentlemen opposite want to play around with the law, I ask them this: What was Mr. Justice Mackay's motivation in writing the letter of apology?

Mr. Andre: That is privileged. You cannot reflect on the judiciary.

Mr. Mackasey: I am not reflecting on him; I am praising him.

Mr. Speaker: Order, please. We have had a lengthy discussion but today, after all, has been set aside specifically for the Social Credit party. It is now 2.15 p.m. Other hon. members want to participate. I wonder if the minister has nearly completed his remarks.

Mr. Mackasey: Yes, Mr. Speaker. I am glad Your Honour has brought us back to the point to be considered. I think I meticulously stayed on it until the hon. gentleman opposite, who is noted for his asinine interventions, interrupted me. In conclusion, it is not too late for the hon. gentleman opposite to stand up and explain in what way he used or meant to use the word "illegal". Hopefully, he will have the courage to get up and apologize to ministers collectively, particularly to my hon. friend who sits next to me.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I will be brief. I wish to make a couple of points only. I suggest that the question of privilege is *res judicate*. Yesterday, as reported on page 11926 of *Hansard*, the Acting Speaker, the hon. member for London East (Mr. Turner) said:

> Order please. I do not believe the hon. member made any specific charge—

Finally he called on the hon. member who had the floor to continue his speech. It seems to me that the matter is *res judicate*. I suggest that the government made a mountain out of a molehill. Let me deal for a moment with the meaning of the words "illegality," "wrongfully" and "improper."

The Prime Minister (Mr. Trudeau) a number of times has used the words "wrongdoing" and "wrongfully." My authority for the definitions I shall give are the dictionary and the Supreme Court of Canada. I shall mention a case in which I was involved as counsel and in which the court defined these words. According to the court, "improper" means "wrong", "wrongfully" means "illegally," and "illegal" means "wrong" or "improper." So those words mean more or less the same thing. I think the government has made a mountain out of a molehill; it is supersensitive.

I agreed with at least one thing the Postmaster General (Mr. Mackasey) said in his long speech. You can do something illegal without committing an offence under the Criminal Code. The action may involve a quasi-criminal matter. For instance, you could have parked your car in the wrong place. I repeat, I think the government is making a mountain out of a molehill.

A case was determined on this very point, that is, on the definition of "wrongful" and "illegal." Allow me to refer to 1952 Supreme Court Reports, page 335. In the case of *Marsh v. Kulchar* I acted for the appellant. A very simple point of law arose which I know would appeal to Your Honour. According to the Saskatchewan statutes, an owner is responsible for what happens to his automobile unless the automobile was stolen or wrongfully taken from him or out of his possession. The defence held that the car was stolen or wrongfully taken out of the owner's possession. The court held that "wrongfully" and "illegally" are identical in meaning. In some circumstances, anyone who takes a car wrongfully could be accused of joyriding, which is an offence under the Criminal Code.

The Prime Minister today, I think, used the word "wrongfully." Also, the Minister of Public Works (Mr. Drury) apologized. In any event, as I said before, the government has made a mountain out of a molehill. My distinguished colleague used the word "illegally." It really means "wrongfully", a word which the Prime Minister himself used today. I think hon. members opposite are supersensitive. None of this would have flared up if the government had agreed to establish a public inquiry at which we could learn all the facts.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I would not have intervened on this question of privilege had not the Postmaster General (Mr. Mackasey) lectured the opposition. After complaining that the hon. member for Winnipeg North Centre (Mr. Knowles) lectured the House, he spent about 25 minutes lecturing the opposition. I will not take as long as he did to make one point. He told the opposition all the harm they had done in the past, and could do in the present, by asking questions. He ought to know that one of the functions of the opposition is that of asking questions. That is the only way we can discover what is going on in this secretive government. Let the minister refer back to some of the things which arose in the past. I will not embarrass him and the government by enumerating some of the scandals which have been brought to light in the last 10 or 12 years because the opposition asked questions. He did not mention that in the Rivard case, to which he alluded, one of the persons about whom we asked questions ended up being sent to jail.

Mr. Mackasey: Do you think that was justified?

Mr. Speaker: Order, please. Hon. members are seeking to put interesting points on the record. However, we are constantly depriving one caucus which wishes to raise important matters today to raise those matters. They cannot do this while the question of privilege is being debated.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I deal with one point which the hon. member raised? He is suggesting how the House should condemn the use of the word "illegally." I point out that this involves a matter of opinion. The Prime Minister is of the opinion that, on the basis of what his ministers said to him, nothing illegal or improper was done. We have not had the advantage of knowing what the Prime Minister said to his ministers or what they said to him. It seems to me that we are entitled to say that in our opinion actions have been taken which, until further information is divulged, could be both improper and illegal.

● (1420)

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, today I propose a motion on the dairy policy in general in order to launch a debate on this subject. It is necessary as much for its economic and social implications as for the security of income for dairy producers who are justifiably worried

about the future of their production. Mr. Speaker, clearly this is a complex issue because of numerous implications such as domestic marketing of the exports of similar products which compete with our own production—

Mr. Speaker: Order, please. There is already a question of privilege before the House concerning the comments made last night by the hon. member for York-Simcoe (M. Stevens). Does the hon. member for Lotbinière (Mr. Fortin) have a contribution to make on this issue or does he wish to put a question of privilege other than that which is being debated now?

Mr. Fortin: Thank you, Mr. Speaker. It has long been a day to day life in the dairy industry. Each year we have to start from scratch and, at the last minute, like—

Mr. Speaker: Order, please. Once again, I ask the hon. member for Lotbinière if he has anything to add to the discussion on the question of privilege raised by the President of the Privy Council (Mr. Sharp)?

Mr. Fortin: Thank you, Mr. Speaker. All right, let us talk about the question of privilege. It has now been exactly one hour and a half since the House of Commons, under the influence of the President of the Privy Council, began debating a question of privilege which, in my opinion, is rather unimportant at least for the time being because the government refuses to conduct an inquiry. And, Mr. Speaker, this day was most important. It was to be devoted to the dairy producers from eastern Canada, and we have to do just that.

An hon. Member: He does not want to talk about it!

Mr. Fortin: Mr. Speaker, this is why I ask before the discussion on this question of privilege is over and before you make a decision let the President of the Privy Council rise with the same willingness he showed when he rose on his question of privilege and let him extend the debate by at least one hour after five o'clock, otherwise, Mr. Speaker, this situation is ridiculous.

I therefore ask the President of the Privy Council, before this question of privilege is disposed of, to show as much equity for the producers as for the ministers.

Mr. Speaker: Order. Of course, the hon. member for Lotbinière has raised a question of privilege which is completely different from the one raised by the President of the Privy Council. It may be a very worthwhile and important question of privilege, but it is distinct from the other.

[*English*]

The several questions that have been raised in respect of the question of privilege raised by the President of the Privy Council (Mr. Sharp) are very important and complex. There are two aspects that I should deal with now: I prefer to reserve on the remaining aspects. The first is with respect to the argument that the matter ought not to have been raised procedurally today. If it is a valid interpretation of the rules and practices of the House, I think that would be strict to the extreme. Indication was given, as a result of the remarks, that argument would be made today: notice was given to me this morning. I have indeed never taken the position that that kind of intervention, between last night and this morning, is not really at the first reasonable opportunity and I do not think I should. Second, insofar as the question of privilege is concerned, we have been listening to argument which mixes up three questions of procedure in the House.

The first has to do with a question of privilege, the second with unparliamentary language, and the third a rather vague practice relating to charges made if they are specific, withdrawn or in some way connected with an offer to put a member's seat at risk. That practice is very vague. In any case, it is the third aspect of procedure. I have no difficulty with the first not being a question of privilege. I should lay that to rest now. No motion has been attached and no request has been made for action by the Chair in respect of a question of privilege. I can, therefore, hold at this moment that no question of privilege exists in those terms.

Some hon. Members: Hear, hear!

Mr. Speaker: There remain, however, two questions. Did the hon. member for York-Simcoe (Mr. Stevens) use unparliamentary language, which relates to the second question, that is, it constitutes a charge which ought to be very specifically made, or withdrawn. The interpretation that the Chair has to go through in order to come to some decision is a difficult one. In order to finalize those two specific questions, I prefer to reserve on this matter until Monday.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I rise on a point of order. It will be brief. In the course of my question during the question period, I suggested that the Prime Minister (Mr. Trudeau) and Chief Justice Deschênes had differed. In answering, the Prime Minister said that he thought I was in error, that he had referred to Mr. Justice Mackay. He asked me to look up *Hansard*. I have no wish to misrepresent the Prime Minister's position. My question, however, was based on a statement which appears in *Hansard*. I leave it to the House and the Prime Minister to see whether my interpretation was correct or incorrect. At page 11866, the Prime Minister said:

> I wanted to assure myself from the ministers, that this was not the case. I did assume myself from the ministers that that was not the case. I even had the assurance it was not illegal and not improper. Mr. Drury, obviously, would not have done something he believed to be improper. I had his version of it and Mr. Ouellet's version. According to both their versions, there had not only been no illegality; there had been no impropriety. Obviously, Justice Deschênes and Justice Hugessen do not share that point of view.

That seems to be a perfectly sound conclusion to draw since the Prime Minister agreed, after talking to his ministers, that there was no impropriety or illegality. The Prime Minister said that both Mr. Justice Deschênes and Mr. Justice Hugessen do not share that point of view. It therefore appears that the Prime Minister was differing with Mr. Justice Deschênes.

Mr. Peters: Mr. Speaker, I rise on a point of order. Because of the surreptitious question of privilege that has been raised, and the difficulty it has caused to the Créditiste party with regard to presenting their case, I would ask Your Honour to ascertain from the House whether they would agree to extend the sitting hours today so that

the Créditistes might have an opportunity of presenting what in my opinion is a very important issue.

Some hon. Members: Hear, hear!

Mr. Sharp: Mr. Speaker, it would probably be rather inconvenient to many members to extend the sitting today for an hour. I can undertake, on behalf of the government, that when we have some time of our own, which will not be next week, we will give an hour of government time. I suggest that a week from Wednesday there might be another hour's debate on this subject.

Mr. Baker (Grenville-Carleton): Mr. Speaker, obviously the hon. member for Timiskaming (Mr. Peters) asked for the unanimous consent of the House to extend the time today for one hour because many people are interested in this matter. They have come a great distance to hear it and the debate is of interest to all. That unanimous consent has now been refused.

Mr. Speaker: Order, please. There is no machinery, procedurally, whereby the House can be asked at this point to give unanimous consent to extending the hours. There is time in the last hour or half-hour, as the case may be—which will approach very quickly—to determine whether it is the disposition of the House to extend the hours. That question can be taken up at that time. It is not, procedurally, in order at this point.

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

NATIONAL RESOURCES AND PUBLIC WORKS

Eighth report of Standing Committee on National Resources and Public Works—Mr. Martin.

[*English*]

JUSTICE AND LEGAL AFFAIRS

Sixteenth Report of the Standing Committee on Justice and Legal Affairs—Mr. MacGuigan.

* * *

● (1430)

ROYAL CANADIAN MOUNTED POLICE

TABLING OF MARIN COMMISSION REPORT

Hon. Warren Allmand (Solicitor General): Mr. Speaker, pursuant to Standing Order 41(2), I wish to table, in both official languages, copies of the commission of inquiry relating to public complaints, internal discipline and grievance procedure within the RCMP, known as the Marin commission report.

* * *

ADMINISTRATION OF JUSTICE

TABLING OF DOCUMENTS RELATING TO CRIMINAL ACTIVITIES

Hon. Ron Basford (Minister of Justice): Mr. Speaker, pursuant to an undertaking given to the hon. member for Grenville-Carleton (Mr. Baker) I wish to table, pursuant

to Standing Order 41(2), three documents, in both official languages, relating to criminal activities as follows: Questions and answers relating to the capital punishment issue: statistics relating to the gun question; statistical handbook—selected aspects of criminal justice.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 4,106, 4,142 and 4,596.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

DYKE WORK AT ROBERTS BANK, B.C.

Question No. 4,106—**Mr. Reynolds:**

1. Were environmental reports responsible for the halting of the dyke work at Roberts Bank in Delta, British Columbia and, if so, which ones?

2. Did the Department of the Environment find technically inaccurate conclusions in such reports and, if so, what effect did this have on the halting of work on the dyke?

3. (a) Who was the contractor on the dyke (b) what was the value of the contract (c) how much work was completed?

4. Was the contract paid in full and, if not, what compensation was given the contractor for the delay?

Hon. Jean Marchand (Minister of the Environment and Minister of Fisheries): 1. Yes, investigations of the utilization of the Fraser estuary by commercially and recreationally important fishes and wildlife were undertaken in 1973 primarily in response to proposals to expand the Vancouver International Airport and the Sturgeon Bank Port facility. The resulting technical reports are entitled The Vancouver International Airport Expansion Proposals and Possible Impact on Wildlife of the Fraser River Estuary (Canadian Wildlife Services, Environment Canada, 1974) and Fisheries Resources and Food Web Components of the Fraser River Estuary and an Assessment of the Impacts of Proposed Expansion of Vancouver International Airport and Other Developments on these Resources (Fisheries and Marine Service, Environment Canada, 1975). Coincident with the initial decision to halt dyke construction, a field investigation of the Tsawwassen marsh was conducted. The results are presented in a Fisheries and Marine File Report, August, 1975, entitled Saltmarsh Vegetation, Fish and Invertebrate Survey, Roberts Bank. The dependence of fishery and wildlife resources on intertidal estuarine environments is further documented in the following reports: An Environmental Assessment of Nanaimo Port Alternatives, Environment Canada, 1973. A Biological Assessment of Fish Utilization of the Skeena River Estuary with Special Reference to Port Development in Prince Rupert, Fisheries and Marine Service, Environment Canada, 1973. Effects of Existing and Proposed Development on the Aquatic Ecosystem of the Squamish Estuary, Fisheries and Marine Services, Environment Canada, 1972. In addition to the foregoing, an analysis of

the historic alienation of Fraser delta wetlands for flood control and developmental purposes is contained in a technical report entitled The Fraser River Estuary: Status of Environmental Knowledge to 1974, Special Estuary Series No. 1, September, 1974.

2. The Fisheries and Marine Services has not been advised of technically inaccurate conclusions in any of the referenced reports.

3. (a) The contractor was Miller, Cartage and Contracting Ltd. (b) The value of the contract was $2,353,889. (c) Construction $270,000 Materials in store $127,000 Only a portion of the whole contract was affected by the stoppage. The remainder of the work north of the Indian Reserve was completed. Of the $1 million cost of the planned work on the reserve about $397,000 worth of work was carried out, comprising $270,000 of construction and $127,000 of materials and equipment which is now in storage.

4. No, the contract was not paid in full. Compensation is still under negotiation.

USER CHARGES TO FLYING CLUBS

Question No. 4,142—**Mr. Jones:**

1. Under the proposed user charge for flying clubs, what will be the increase in (a) dollars (b) percentages for lease rates and landing fees for each flying club in Canada?

2. Does this comply with the guidelines under the Anti-Inflation Act?

Hon. Otto E. Lang (Minister of Transport): 1. (a) A proposal was made to the Royal Canadian Flying Clubs and the Canadian owners and Pilots Association on January 27, and a follow-up meeting was held on March 9, 1976 to increase national fees as they relate to flying clubs by $1.60. These fees include a $1.30 landing fee for the last landing of a flying training flight and a 60 cents service charge. This proposed increase is subject to ongoing consultation. (b) Based on the 30 cents landing fee in effect since 1947, the increase to flying clubs is 533 per cent. However, when passed on to the trainee by the clubs, it represents an increase of about 5 per cent to the instruction fee charged by the flying clubs. As far as lease rates are concerned, they are administered locally and are subject to change at various times during a year on expiry dates with various lessee's across the country. During the fiscal year 1975-76, there were approximately five leases renewed out of 22 leases for flying clubs. The average increase was 90 per cent during the same period. However, as rental rates are for a duration of 5 years or more, the aforementioned increase represents a compounded annual rate of approximately 14 per cent.

2. The Government's anti-inflation program does not restrict the government from reexamining its programs and priorities in order to obtain a larger amount of revenue from the user rather than the general taxpayer.

GRANTS FOR TOURISM DEVELOPMENT

Question No. 4,596—**Mr. Matte:**

1. Since its creation, did the Department of Industry, Trade and Commerce make grants to promote the development of tourism in the Constituency of Champlain and, if so, how many?

[Mr. Marchand (Langelier).]

2. In each case, what is (a) the name of the projects (b) the municipality concerned (c) the amount granted (d) the year it was granted?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Insofar as the Canadian Government Office of Tourism is concerned: 1. Nil.

2. Not applicable.

[*English*]

Mr. Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO FORMULATE LONG-TERM DAIRY POLICY

Mr. André Fortin (Lotbinière) moved:

That this House deplores the fact that the government (a) has not provided the long term dairy policy to which it formally committed itself in April 1975 (b) has not provided income security for the milk producers (c) continues to encourage the importation of dairy products, thereby allowing undue competition against Canadian production (d) did not take into account, in calculating the amount of the subsidy, ever increasing costs, and in particular, that the government has not given any consideration to the establishment of a broad marketing and distribution program for dairy products and by-products through proper legislation, in order for production to meet truly the interests and needs of consumers.

He said: Mr. Speaker, at last, I now propose, through this motion backed by my colleagues and a number of other members in this House, to open a debate on a dairy policy for milk producers for the year 1976-77.

Mr. Speaker, the motion is couched in negative terms as provided for in the Standing Orders, but we endeavour to make it very positive by giving elements to solve the problems now confronting producers.

Clearly this is a complex issue because of numerous implications such as domestic marketing, exports, the import of equivalent products, so more so because production is subsidized by the federal government, not to mention problems caused by an alleged overproduction and the Canadian Dairy Commission's operations that leave much to be desired.

Mr. Speaker, it has long been a day to day life in the milk industry. Every year we start from scratch. At the last moment, as happened the years before, government policy is dumped upon producers with little or nothing in the way of consultation.

This year the government is taking the joke one step further: it is circulating the result of so-called studies from last November. The allegation is that subsidies would be cut back, that the overall milk production would be reduced by 500 million pounds, and that imports would be

increased. These rumours have been circulating since November 1975 without any formal denial by the government. After considerable efforts on the part of producers in special meetings, particularly meetings with Quebec members and their Ontario counterparts, the only answer received by the producers is that Quebec Liberal members have created a special committee to study the matter and make suggestions. But this committee reports to the caucus, it is not a committee of the House: therefore it is not a parliamentary committee but a political committee, which explains why today's national debate is so important.

It is essential that the elected representatives of the people firmly state their position, their concerns and their convictions, without hiding anything and without beating around the bush. Further, it is only normal that the milk policy be discussed in this House on occasions, just as we discuss wheat production with pleasure and enthusiasm.

Mr. Speaker, in April 1975, the Minister of Agriculture (Mr. Whelan) announced a new long term dairy policy, and I underline "long term". He stated among other things that a basic price of $11.02 would be set and would be regularly adjusted in the five following years to changing production costs. An adjustment formula was therefore proposed by the minister to the House. An amount of $266 million was earmarked for subsidies of $2.66 per hundredweight on 10 billion lbs. of milk, that is the estimated needs of the Canadian market, which meant a 5 per cent increase in the production to be subsidized.

Finally this policy established the principle of Canadian self-sufficiency, which means that Canadians managed to meet their requirements of dairy products, in other words Canadian consumers would absorb Canadian production, except in unusual circumstances. That, Mr. Speaker, was a year ago, almost to the day. The minister then concluded his policy statement by saying, and I quote:

> I believe that this new policy will put the dairy industry back on the right track and that the next years will bring to the producers and processors a period of stability and expansion.

But then, Mr. Speaker, as early as November, something happened namely the deterioration of the net anticipated income. The producers did not get, in spite the government's formal commitment, their $11.02 as promised, the processors increased their share by 8c., which reduced the price received by the producers to $10.94, from which must also be deducted the export levy which amounted, to 15c. at that time.

● (1440)

The overall quota for cheese imports has increased to 50 million pounds for the year, without any restriction on the kind of cheese, whereas in the last five years the annula average was 39 million pounds. The result of the surplus 11 million pounds of cheese which are imported is an increased production of 5.77 million pounds of butter and 11 million pounds of milk powder, while these markets are already overloaded. Finally, in spite of the express commitment the federal government made a year ago, the cost of milk powder exports increased from 15 cents before April 1 to 45 cents in April and 90 cents in July. The producers' pressures resulted in a drop to 65 cents and in the establishment of a compensation fund for the export costs.

Dairy Policy

Mr. Speaker, on November 4, 1975, the Minister of Agriculture (Mr. Whelan) revealed the basis of the new dairy policy for the year 1976-77. This announcement was sort of a great blow to the producers. They called it "the great blow of November 4". You will agree with me on the value of these arguments. Storage and marketing costs become payable from this budget following the announcement of November 4. If, as shown in the estimates these costs amount to $40 million in 1976-77, the budget for subsidies themselves will drop from $266 million in 1975-76 to $222 million in 1976-77.

Since it is estimated that the market will require 9.5 billion pounds of milk, this will mean a $2.34 subsidy per hundred pounds to the producers compared with a $2.66 subsidy in effect last year. Therefore, this represents—and I am drawing the attention of all my colleagues in the House on this point—a 32 cents cut. The price paid to the producers would come down to $9.97 per hundred pounds from the previous $12.06 and $11.02.

Mr. Speaker, this is a radical change in policy brought about by the government. The Minister of Agriculture, in his long term policy statement of April 1975, has made a formal promise to the producers associations not anywhere, but here in the House of Commons. He has told them that he would do his share as a member of the cabinet to achieve long term production, domestic self-sufficiency guaranteed producers income and maximum control over imports.

Mr. Speaker, I am quoting the Minister of Agriculture; it is important that this should be recalled, more especially as the minister is honouring us with his presence here this afternoon:

> The government has been committed for a long time to develop a long term dairy policy. Now it rests entirely with the industry to accept its responsibility and contribute to the success of the policy.

So the Minister at that time was committing himself and saying to the producers: Go out in the fields, and start producing, do not be concerned; we will stick with you; we garantee minimum prices.

That was his commitment, and the Minister was saying:

> Now it rests entirely with the industry to accept its responsibility and contribute to the success of the policy.

Mr. Speaker, that is exactly what the producers have done. They went back home, worked methodically, respected their production quotas, paid export rates and followed the guidelines of their respective associations. They have provided food for the Canadian people and nobody can deny it. Mr. Speaker, today, less than a year later, the minister is reversing his position, instead of negotiating face to face—like with equal partners with the authorities, the representatives duly elected of the federations; he lets rumours run wild why hypocritically delivers a big blow, and appreciates the response in order to achieve an equilibrium, and I would swear, Mr. Speaker, that next April 1, the minister will stand in this House announcing his policy, and saying that after—

An hon. Member: Another April Fool!

Mr. Fortin: Another April Fool!

—saying that after lengthy negotiations with the producers' federations, after one year of experience, thank to

its generosity, this government has honoured its pledge. Nevertheless, Mr. Speaker, this is not the case. Many meetings were held all across Québec. Many demonstrations were held, showing the discontent among producers, because they had given their word and respected it, whereas the government had not.

Mr. Speaker, last March 2, I was asking the Minister of Agriculture (Mr. Whelan) what he intended to do concerning the dairy policy for 1976-77.

His answer is recorded on page 11403 of *Hansard* for March 2, 1976. I wish to attract his attention on his very words which I shall quote:

> We do not have that much money for them to waste products and that is what they are doing.

Mr. Speaker, producers have produced only according to the request of the government. And now, just because they have, they are being accused of squaundering, of unreliability, of a breach of promise and agreement.

Mr. Speaker, the minister should clarify that point this afternoon. The minister also said—like several other hon. members, I received a telegram from dairymen in my riding requesting a debate in this House, to ventilate the issue—there is nothing wrong with discussing dairy policy. Some hon. members will probably accuse the Social Credit Party of playing politics with the issue this afternoon. But, Mr. Speaker, who are we, if not politicians? Members of Parliament must raise those questions. We had meetings. I do not think that the Social Credit members can be held responsible for this debate this afternoon. Meetings were held with other opposition parties. The Liberals refused. They said: "We meet in caucus." We, of the opposition, said: "We were elected by the people and are expected to meet not in an obscure caucus room, but in the House." So, I asked—

Mr. Loiselle (Chambly): Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: Order, please. The hon. member for Chambly (Mr. Loiselle) on a point of order.

Mr. Loiselle (Chambly): Mr. Speaker, I think my colleague from the Social Credit Party is raising very good points, and has put forward very good arguments, but he just said that he does not want to be partisan on this issue, and that he does not want to play politics at the expense of the milk producers. I would then appreciate it if he would stop playing politics right now since the Liberals have definitely agreed to meet with the producers, and on many occasions.

Mr. Fortin: Mr. Speaker, his case is hopeless; he still does not understand! I did not say that they had not meet with the producers, I said that we were asking for a debate.

And on March 2, 1976, as recorded on page 11403 of the *Hansard*, I asked the minister whether he agreed. That was an official request for a debate. It was not to be a debate for one party or for three, but for the four parties. I put the question to the House on March 2. The minister gave the following answer:

> Mr. Speaker, I understand that the dairy farmers of Canada are coming to meet members of the Parliament of Canada. Before we have a debate in the House I think Members of Parliament should talk directly to dairy farmers and discuss their problems with them.

What the producers further wanted was that their problems be discussed here in the House. They have nothing to hide. And the minister added:

> Then, if they feel it necessary to come to the House, I do not think there would be much wrong with that.

That is what the minister said and that is how the debate got organized. Therefore, Mr. Speaker, I insist that this debate be kept within terms of reference where it will be possible to make progress and that something beneficial for the producers come out of it. Mr. Speaker, that was to explain the circumstances of this debate. We are living in a dilemma regarding milk production. Should production be cut back? That is the first question. Should we consume more? That is a second question. With regards to self-sufficiency, what is the situation in Canada? Mr. Speaker, there are the three fundamental questions on which I would like to draw the attention of my hon. colleagues from both sides of the House, in order that together we may try and find solutions.

● (1450)

The quota system is a policy aimed precisely at controlling production. What is the basis for the CDC conclusions? Consumer demand. There is a third factor which fits into the picture and that is the importation of milk products and by-products.

Mr. Speaker, I suggest therefore, that producers are caught in some kind of a vise: they have to increase their production to cope with consumer demand while enjoying guaranteed income and self-sufficiency in this country. The government—and I think that many people have noticed it—covers up under the threath of a retail price increase. Whenever the producer asks for increased subsidies, he is told he will be held responsible for any increase in the retail price of milk.

Actually, within fourteen months, there were six increases in the price of milk. In December 1970, milk sold for 28 cents a quart. In March 1975, it sold for 51 cents. There were six increases within a period of fourteen months. This goes to show that, in the final analysis, the producer is against the consumer and the consumer is under the impression that he is fleeced by the producer. While they argue, the general dairy policy continues to be the major victim and the problem stands unresolved. Mr. Speaker, under the existing system, the consumer pays too high a price for what he consumes and the producer loses part of his production and part of his income.

Mr. Speaker, that is why, while this war is being waged, on the one hand by those who want income security for legitimate work, and on the other by those who must feed themselves, the federal government washes its hands of the whole thing, passing the buck to the producers by saying: You are too efficient.

Mr. Speaker, the Canadian dairy producers are just about the only category of people who are told that they are too efficient and are penalized for it. At the same time, and for the same reason, the government forces the producers to pay for their surpluses. Fines are levied when production is exceeding the quotas. That is how work is rewarded. That is why export costs keep going up. Mr.

Speaker, the year the government has allowed doubts to hover over that dilemma and finally it hopes that the producers will accept, as usual, whether they like it or not, higher export costs, because that is surely what will happen.

Mr. Speaker, in view of the production capability of our milk producers and the fact every day the World Food Organization and other groups find that two thirds of world population suffer from hunger, it is nonsensical to hear that in Quebec particularly and in Canada in general, our producers are penalized for being "too efficient".

Nutrition experts are already telling us that the world food reserves are rapidly being depleted and that high-protein foodstuff are becoming more and more scarce. How can we agree then that because of the stupid milk policies of the government which profit, and I emphasize this, financial and commercial interests, how can we agree to restrain our organization and the expansion of our own production in Canada? That is why I say—and I would like to conclude with this so that other members can take the floor—I say that we must not increase the price of milk for consumers. We must rather lower that price in order to increase consumption. It is time for the government to stop trying to be on both sides and burying its head in the sand.

This government should take position once and for all and encourage production but not at the consumers' expense and encourage consumption but not at the producers' expense. Mr. Speaker I think that this afternoon we should ask the government for a proper legislation allowing for a reduction in consumers price through consultation with provincial marketing boards. To encourage milk consumption we should not reduce production when consumption declines. It is nonsensical.

We are asking producers: Reduce your production when consumption declines, increase your production when consumption increases. It is crazy. Ever since I came here every year it is the same kind of argument. We are told about some kind of over production. But where is this over production if at the same time we have an under-consumption, if consumption is declining?

Mr. Speaker, there is no overproduction at this time. The only weakness is with our distribution and marketing system. There is nothing wrong with our production. The minister accuses producers of waste and overproduction. Therefore, the problem does not lie there. Moreover, this government lets the consumer milk price go which reduces the quantity of milk sold affecting once more the producers. For those reasons I think that in 1976, considering the formal commitments he made in 1975, the minister should protect consumers concerning milk price increases. We should reduce consumer milk prices to ensure a larger supply in Canada and allow Canadians to drink the milk we produce in our country and which is of a very high quality while at the same time the government would ensure a "guaranteed" income to producers. Then, we would have peace in agricultural and those excellent products with a high protein content would get to the consumer.

Otherwise, Mr. Speaker, this government will foster a battle between consumers and producers and we shall never get out of it. I think this is a basic point. Once again I call the attention of the minister to this point. It is important that our production should meet our needs. This is what implies the principle of self-sufficiency mentioned by the minister himself last year.

Mr. Speaker, what about milk distribution in our schools? What has been done in this regard? What is CIDA doing to distribute milk in the world? It is still to come. That method is only used in case of major disasters. However, we are told that we have a surplus.

Within the near future, it will be immoral and dangerous to get rich and try to exploit hungry people. That is more or less what is going on today. All my colleagues, and particularly all members from Quebec, Mr. Speaker, join with me to ask the minister this afternoon, first, to control and to reduce our imports of dairy products and by-products when it is possible to produce them in our country. However, it is not enough to simply advocate that principle.

I know some colleagues opposite who have already said that. I heard them myself. But is is still to come. What we are trying to do by this debate this afternoon is to show the Minister that all eastern producers agree about the necessity of controlling and restricting our imports in order to promote production in Canada.

The second point we want to ask the minister this afternoon is this: to maintain at the 1975 level at least the income of the dairy farmer. If the impending threats are carried out, such as the bombshell of November 4, 1975, the producers' income would drop. In that case, the producers would be the only ones to suffer a loss of income, while the principle of the anti-inflation act is that all workers are entitled to a 10 per cent increase. I think that the minister must first guarantee the producer a 10 per cent increase in income, plus the catching up formula for the loss incurred last year. That is a minimum. It is important.

● (1500)

This government introduced with great fanfare the anti-inflation legislation in this House saying that inflation had to be crushed, that people should exercise restraint. I submit that milk producers most likely are the group of Canadians showing the highest degree of patience and restraint.

Unless it be a provocation on the part of the minister, I do not see why there should be an increase in export costs. This would deprive milk producers of the 10 per cent increase in revenues allowed to every other Canadian worker.

Mr. Speaker, we have no right to fight inflation at the expense of the self-employed milk producers. Let them be recognized as having the same rights as any other group of workers.

Moreover, we ask the minister to foster and increase milk product and by-product distribution in the underprivileged countries of the world through CIDA, the Canadian International Development Agency. In a country such as we have here in Canada, a rich country where there is plenty of wheat, milk and milk powder, where we have quality products and an automated industry, where we are able to produce, where we have transportation, where we are capable of shipping our products, there is no reason whatsoever to invest $1 billion in CIDA, a govern-

ment agency over which Parliament has practically no control at all, an agency that is distributing money around the world without interest, while our producers here are penalized under the pretence of overproduction, while two thirds of the people of the world die of hunger.

Mr. Speaker, that is an utter paradox. I believe the government, not only as Canadians but as Christians, should start now setting up a distribution system for milk products and by-products. Our products are of very high quality and we should not be ashamed of them. Let us distribute them in those countries, so that the people there may also have a healthy, protein-rich diet and get back on the road to good health.

Mr. Speaker, I think this is a basic point. The scandal in fact is the scandal of production. An individual who produces is penalized because he over produces, because he is too efficient, while two thirds of the world is literally starving to death. One only has to attend the conferences, one only has to visit those countries, one only has to read on the subject to realize it.

The government is making every possible effort to sell wheat. Every now and then, in the evening, on television, you can see the minister boast that he sold a few bushels of wheat to some countries. I do not remember seeing a minister boasting on television or radio about selling some of our surplus milk to other countries. I do not recall any instances. The government rather hides behind the European Economic Community and handle its little business there in the interests of those countries and at the expense of our producers.

Mr. Speaker, I think those things must be said and this afternoon the Minister of Agriculture, both as a Canadian and as a christian, cannot turn down this request to ensure the sharing of wealth throughout the world, particularly surplus food.

The fourth point we want to make is the following: That the milk subsidy as a general principle—and we are not talking about figures, we could produce lots of them but we want to stick to general principles—that the milk subsidy be increased in proportion to the reduced quota, if the government wants to reduce the quota.

If the government rejects this principle then the producers will take a drop in income, they will have to slaughter several of their cattle because we already have overproduction. Therefore, I urge again the minister that the milk subsidy be increased in the same proportion as the quota is reduced. The same proportion means a minimum and that amounts in my opinion to taking into account the minimum increase of 10 per cent, as provided in the anti-inflation act.

We are asking in addition—and I think that once again many members of all political parties agree with us—we are asking that a distribution program of milk products and by-products be setup in our Canadian schools, considering the food value of those natural products.

Mr. Speaker, several studies have shown that our children eat badly in our schools in Canada. They have shown as well that the health of our school children was poor. Considering the value of a product such as milk, there is no reason why it should stay in storage and why it should not be distributed to the pupils of our schools, and to our children. After all, we are the ones paying for their education, building those schools, making our children and producing the milk. I do not see why all this could not be combined in our schools in order to meet once again, and this is our principle, the needs of our people.

I want to conclude with this remark in order to give other members the opportunity to speak, but this is the spirit that we would like to see in today's debate, in order for our production to meet the needs of consumers, but not at the expense of producers. Whenever the government has asked the producers, either in difficult times or in wartime, to ensure the necessary food supplies to meet the needs of the people, they have never refused. All they have asked, after having invested on their farmers to increase the production, at the government's request, is to be able to pay off their debts and live on their farms with their families.

Mr. Speaker, on behalf of the Canadian people and of my colleagues, I respectfully urge the minister not only to formally promise to help the interest of consumers with its dairy policy but to take all the necessary concrete measures to do so.

Mr. Roch La Salle (Joliette): Mr. Speaker, it is with great pleasure that I take part in the debate this afternoon and I would like to congratulate my friends of the Social Credit Party of Canada for having responded to the needs of the Dairy Producers Federation, and in particular of Quebec producers, and for having brought up such an important question in the House just before the new dairy campaign is announced at the beginning of April.

Of course, Mr. Speaker, the hon. member for Lotbinière (Mr. Fortin) made some very appropriate comments. I believe he did so with all due objectivity concerning the problem which dairy producers have been facing for much too long. I know that the minister will have the opportunity later on to reply perhaps not to the arguments, but at least to the recommendations and representations that we are making. I expect that we will hear that Canada has the greatest and the most productive cows in the world, but dairy producers still have rather serious problems.

Also, when the government or the minister responsible say that they have made great efforts to improve the dairy industry, we recognize that they have indeed made some effort, that they have placed credits and certain services at the disposal of dairy producers, but we must also recognize the commitment and investment risks of producers who agreed, first of all, to meet a real need for efficiency, and to make the industry profitable while providing some stability for the Canadian dairy industry.

Mr. Speaker, this industry is quite interesting when we consider how dairy producers have reacted to the services given to them by the government. However, it would be too easy to accept today that the government leave the producers with the same problems that they have been facing so long. The government is always saying: Yes, we are making some efforts and we have helped the producers enormously by urging them to organize. They have done so, I am sure that they are still ready to cooperate with government policies to the extent that its proposals are reasonable. However, a situation which has lasted too long at the competition level—it was mentioned a while ago—

give rise to serious difficulties for milk producers, that is the minimum income. I think it is fair to demand for them the same as for any other individual, and we admit it. All workers, through experienced labour unions, have succeeded in making gains on certain points.

● (1510)

Now if we consider our facilities, I would like to say a few words on that matter. First, at the level of my constituency where that industry is important. I know that some other hon. members will give their views on national conditions.

For us in the province of Quebec, it is a quite important industry at the agricultural level, the most important moreover, and we are increasingly trying to promote more than ever before the dairy industry in that province. Therefore any policy which does not meet those minimum recommendations can be and will be quite prejudicial, especially to Quebec producers and to the Quebec economy, since that industry in a very important part of the economy.

Last year, as I recall, Mr. Speaker, and I regret to have to remind the minister of this, because for a whole year we have made these comments in this House where numerous subjects have been discussed. It cannot be said that everything is going well. There are problems in many areas. More and more, we feel that the government cannot find or does not want to introduce solutions to these problems. Again this afternoon, we are discussing the same matter as we did a year ago and even eight years ago, as I recall very well, when I first came to Ottawa.

And every year, it is always the same thing. At the last minute, we have to put pressure on the government. I do not recall that the government has ever adequately answered our representations and give any assurance to the producers who commit themselves, invest funds, who want to live like everyone else while offering to Canadians products of high quality. The government has never yet given this assurance to help each producer to survive, in Quebec as well as across the country.

Now, Mr. Speaker, last year, the government made some proposals. They led the dairy producers expect an indexing formula roughly equivalent to the production costs established by the producers association, and later recognized as accurate by the Plumptre Commission, which was created by the government. In spite of that, the government did not pay that minimum price that was based on production costs and would have given the producers a decent income. A few months later, far from answering the essential needs of that industry, the government announced a levy, because of a temporary problem perhaps, but a problem that still exists. One should say a few words about it, I believe. That levy on powdered milk exports, because of the competition of the European Economic Community, obviously causes hardships to our industry. How can one explain, Mr. Speaker, that the government should fight competition from the EEC on the backs of our producers, while their European counterparts are well subsidized and protected, and thus able to interfere to some extent with our markets? How can one explain that the government should have penalized our producers with this levy after having refused them the minimum requested? I know, Mr. Speaker. That argument has not often been discussed in the House. I know the Prime Minister (Mr. Trudeau) made a highly interesting trip to Europe, that he expected and is still expecting, I believe, some interesting answers with regard to the possibility of trading with the EEC, but I do not feel that is it is acceptable that the government, which intends to open up markets for various products with the EEC, should have decided to discriminate against the dairy industry and to let the producers face the problem alone. It was fair, and it will always be fair that the government should accept right away to help our producers and to compete with other countries equal to equal. Besides, it is the only way the producers could get out of this very difficult situation, which is probably a cyclic thing.

Up till now, the government would not do it, and the producers have been penalized. So, as a result of this levy the producer's net income was reduced.

This year, still more recommendations have been made, and I have read those from the UPA in the Province of Quebec. It was also given to me to read a proposal submitted by the Quebec caucus to the Cabinet. There are leaks, Mr. Speaker, and you will forgive me if I point it out in this manner. Anyway, this had to come eventually. We are therefore aware of the fact that the government members seem ready to correct some anomalies.

Of course the brief submitted by the members of the Dairy Producers, Federation deals with cheese imports. I think that in five years we had not known imports of more than 30 million pounds.

Last year, the Federation of Milk Producers and the Agricultural Producers' Union asked and recommended to the minister to reduce or at least restrain a possible increase in imports. But no imports were allowed to go up to 50 million pounds.

The federation also asked that import licences be transferred to the Canadian Dairy Commission which could better understand and control these imports according to our consumption and production. No answer has been given to that and, to my knowledge, the Department of Trade, Industry and Commerce controls import licences. That often enables the minister to answer us: You will understand that since licences are delivered by my hon. colleague, it is not my fault. He can thus get away with it easily enough when he meets milk producers.

It is also very clear that as regards the 65 cent levy on powder milk, the commission considers increasing that levy to $1.50.

In their brief, our friends opposite recommend that this amount does not exceed $1. We believe that for the moment, the producer cannot afford to give one cent more than the amount of 65 cents they had to accept. They did not negotiate nor accept it willingly. They were forced to accept this amount of 65 cents and it seems that our friends across are prepared to penalize them again to the tune of another 35 cents.

We do not believe that this is the best way to help them and to meet this minimum.

In the circumstances, I certainly ask the minister for his attention so that he respect this wish and at the same time the capabilities of these producers by freezing the levy at 65 cents. He is free to accept the whole amount because I

have always believed that the government was dishonest when it imposed this levy after having made milk producers dream of a reasonable price.

We also speak of the necessity of having several million dollars for storage costs. The brief states very clearly that producers cannot absorb these costs which are very high. Once again, if we have surpluses and storage costs, it obviously comes from different factors. The hon. member for Lotbinière (Mr. Fortin) spoke earlier of the establishment of an agency which would be responsible for the distribution of our milk products. I think that makes great sense. I think we should set up these agencies as soon as possible. I also think that if the government had taken its responsibilities with regard to the European Economic Community, our producers would not be facing these problems today. Of course, I do not hesitate to ask the government to pay the storage costs in full and with an extra effort, to ensure a better distribution of our products, a better control of our imports. At the same time, we could reduce this surplus or those products in storage today, and as a result, reduce storage costs.

● (1520)

Mr. Speaker, I know our time is always limited, and I will end my remarks, leaving it to my colleagues to put the best possible arguments to the minister and to ask him whether it would be possible today, in view of the presence in our galleries of several people interested in dairy production, not to let them go back to their respective ridings, to their respective parishes without a spark of hope, or with their wish unfulfilled.

I think that on the eve of the announcement of the dairy policy, the Minister can answer rather positively in order to satisfy those who came here, and this is not the first time. This always means additionnal expenses because measures are not taken on time. We have to be sure that the coming year will be much more interesting. The Minister could allow them to look forward not only for a way to survive but for an opportunity to live decnetly like any other worker or professional in our society. To achieve that, he will have to answer, to a great extent, to the brief submitted by the Agricultural Producers' Union. I did not have time to read it now. The Minister got it like all other hon. members. I think this brief is presently acceptable, not only if we are going to guarantee the milk producers a minimum income, but also for the future of our dairy industry, if the government really wants this industry to advance in the interests of all Canadians. I dare hope, Mr. Speaker, that by asking the Minister to consider the brief submitted by the APU, I am the spokeman of all hon. members in this House as well as all milk producers of our country who ask for this minimum, for those guarantees, for the betterment of an industry which should and must survive. I hope the Minister will answer the questions which are found in this document.

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, this would have been a good time for one of my colleagues to have written out a few words for me in French, but I hasten to add that I read as badly in French as I do in English, and I would not want to subject anyone to that.

[Mr. La Salle.]

I wish to congratulate the hon. member for Lotbinière (Mr. Fortin) for the speech he made this afternoon. He spoke not only of the problem which affects the farmer, but also talked about the larger problems of the role of the dairy industry in relation to world food supplies and our inability to handle that in any way, shape or form.

In the Standing Committee on Agriculture during the last few days we have been listening to a report by the National Dairy Commission on this subject, and after listening for several meetings I am of the opinion that it has done as good a job as possible, considering the direction it has been given by the minister, the relationship we have with the provinces, and the jealousy with which they exercise control over each provincial industry.

That still leaves the farmer knowing he is not getting a reasonable return for the work he is doing, and he is not receiving the benefits of the increases in production per unit which he has been able to implement over the last few years. For that reason we have an obligation to see that this industry, which is so highly controlled, highly dependent on commercial markets within our country and highly dependent on our international trade structure, is given every type of assistance possible so that it can remain in business.

Three or four years ago Canada was facing a desperate shortage of dairy commodities. We were importing butter and cheese in sizeable amounts. There were a number of small industries coming to us in Ottawa saying that there was not enough milk for them to operate their businesses and that they would have to go out of business. In asking the farmers to increase their production at that time, the federal government and provincial governments were offering them subsidies and all kinds of inducements to go into that type of operation. Only this past year have we seen the milk marketing quota committees being asked to reduce the amount of milk they were putting on the market during the year period because of the surplus.

The argument has been used this afternoon, and I am sure it will continue to be used—it is a bona fide argument—that in asking for a contractual link with the European Economic Community we put the dairy industry on the block for trading negotiations. We said, and the minister is reported to have said in November of last year, that in effect the government dairy policy as now stated calls for an administered shrinkage of the industry through, first, allowing imports to capture a share of the Canadian market equal to not less than the equivalent of 10 per cent of manufactured products; and second encumbering the consumer of dairy products with the full cost of dairy products by removing the subsidy over a number of years.

What we were saying was that if we were going to get into that European market, we were going to do it by allowing industrial production to come into this country at the expense of the dairy industry, we were going to relate our two industries without our knowing how the European common market subsidizes that market, and we were going to allow the elimination of our subsidies in this country for the benefit of our international trade in that European market.

The difficulty we have maintaining full production in this country which can be purchased at the full price, without the farmer having to subsidize to a very large

extent any surpluses which may develop and to subsidize any sales we should make in other countries around the world, has been pointed out.

I agree with the minister when he says it is not his responsibility to sell milk in the schools and to sell or give milk away in other countries of the world. That is the responsibility of all the Canadian people, and we must assume that responsibility. I think it is high time the Minister of National Health and Welfare (Mr. Lalonde)—and I doubt if he will—was doing his job. He should be talking to his counterparts in the provinces and indicating to them that the federal government will put up a subsidy so that milk could be sold in all the schools and to the public.

I am told that in hotel rooms in Australia a person will find free milk. There is free milk in the lobbies of all the hotels and in all the schools, and that milk is produced by Australians. It is produced for the people because they have decided that that is a very economic way of helping their health program. They supply milk free. That is not the responsibility of dairy producers in this country. It is not the responsibility of the Minister of Agriculture (Mr. Whelan). It is the responsibility of all of us collectively, and it should be administered through the Department of National Health and Welfare so that milk can be provided to Canadians who are not able to afford milk. It should be provided to children whose parents have not decided it is essential that their children have milk for the sake of their health. Benefit would accrue to all of us by way of reduced medical costs, hospitalization costs, and all the other costs of retaining a healthy and fit nation.

We have to make some decisions as to the requirement of the nation rather than in terms of sales. We will have to look at the monopolies which have developed in the distribution of milk. Farmers are paying a very high price due to the fact that Canadian dairies of last year raised the price of fluid milk. This happened in Ontario, I understand, and decreased the consumption of milk considerably. The farmers did not receive any more money, and this certainly did not help the consumer.

● (1530)

Certainly the consumer was not helped when dairies raised prices. Production was affected. Also, farmers were asked to pay more for the distribution of a product we could not sell. It should be noted that when we talk about giving away milk powder to Europe or to underdeveloped countries, the government is not giving it away. The dairy farmers who produced the milk are being asked to give it away. They pay the shot. Why should our farmers by themselves subsidize other countries, when the government offers to provide food aid? Farmers have become totally disillusioned with the government's marketing policy. They were asked to increase production by 10 per cent.

Mr. Whelan: We did not ask for 10 per cent more.

Mr. Peters: The government asked for increased production—I do not know exactly how much. They were urged to increase production as, in 1974, Canada had to buy 37.1 million pounds of butterfat. In the fall of 1974 it was estimated that in 1975 we should be short of 24 million pounds of butterfat. By April, 1975, this estimate was revised. It was felt that we needed only six million pounds. An alternate estimate, using the CDA dairy industry model, indicated a potential surplus of nine million pounds.

I cannot understand why milk should ever be in short supply or surplus. Its consumption is relatively stable. For example, it is used in the form of fluid milk, butter and cheese. The consumption of these commodities remains stable. Therefore it is not hard to meet requirements. The minister tells the dairy commission to reduce production, not because there is lack of demand but because that is the price we must pay for becoming involved with the European Economic Community. The government decided that it would reduce milk production by 10 per cent in order to gain access to that larger market abroad for our industrial products. So, the policy has nothing to do with the market or the consumption of milk. That decision is the government's responsibility.

The dairy farmers of Canada have for long acted responsibly. They have been willing to abide by quotas and even willing to pay for the transport of their commodity. My brother is a dairy producer. Sometimes he pays transport costs from northern Ontario to Toronto. He regularly pays for the transport of milk from northern Ontario, on the Quebec border, to Thunder Bay. Farmers are willing to pay milk transport costs, are willing to distribute milk, and even are willing to listen to the Ontario Marketing Board. I suggest that the government should pay some attention to the needs of our dairy producers and allow them to establish equitable quotas which will allow them to plan up to five years ahead.

In addition the government ought to make sure that dairy producers obtain a fair and reasonable return for their product, which should include reasonable profit plus costs of production. This would allow dairy farmers to build up better herds and increase the yield per cow. We ought to help our dairy industry as, in my opinion, the Canadian dairy industry has been the best operated, efficient dairy industry in the world. For proof, consider the number of farmers in other countries who want to buy our livestock. We produce the world's best dairy livestock. Unfortunately it is difficult to transport livestock to foreign markets because the government will not contribute to the cost of transport. Our farmers do their bit. The rest is up to the government.

I endorse the views put forward by the hon. member for Lotbinière, the mover of the motion. His presentation was excellent, and he alluded to the difficulties arising from jurisdiction being divided between the provinces and the federal government. I suggest dairy farmers would be better off if the federal government were to set national quotas and allow our farmers to fill them. No one wants to see the kind of bickering which takes place between provinces. The provinces, too, must enter into agreement with farmers, and provincial agreements must be similar to the sort of agreement into which the federal government should enter. In the absence of national quotas we shall see a repetition of the kinds of difficulties we saw last year.

I wish the minister well in any suggestions he may make for the year 1976-77. I hope that April fool's day will provide the sort of pleasant surprise it can provide, and

that the farmers of this country will not be made April fools.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I congratulate the Social Credit party for raising the present topic for discussion this day. They have shown leadership in raising it. The other parties have not seen fit to talk about agriculture on their opposition days. They would rather talk about something else, about other subjects which, to me, are less important.

I am amazed at what Conservative and Social Credit spokesmen have said. This does not apply to the NDP spokesman, who attended the last three committee meetings when dairy policy was discussed. I do not recall seeing the other spokesmen in attendance at committee meetings when dairy policy was discussed. I wish the hon. member who spoke on behalf of the Social Credit party had attended the committee when the dairy commission attended, as he could have asked his questions then.

Mr. Mazankowski: But he would not have received answers.

Some hon. Members: Oh, oh!

Mr. Nystrom: Super bull has spoken.

[*Translation*]

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

Mr. Deputy Speaker: The hon. member for Lotbinière (Mr. Fortin) on a point of order.

Mr. Fortin: Mr. Speaker, that is not in order. I know the minister is not used to sitting in the House, therefore he may not know the following rule. We are not supposed to judge the actions of hon. members in this House and we are even less entitled to make comments on them in Parliament. The minister should have the honesty to acknowledge that members sitting in a parliamentary committee do not make up the whole House.

Mr. Deputy Speaker: Order, please. It is no more permissible to question a minister's integrity than that of an hon. member.

● (1540)

[*English*]

Mr. Whelan: Mr. Speaker, I had no intention of reflecting on the integrity of anyone. I was just saying how informative it would have been had they been there.

Some hon. Members: Hear, hear!

Mr. Whelan: In the announcement that I made last year, what I said about the dairy policy was very plain. I said this means that it is absolutely essential that the market share quota system be effective in balancing domestic supply with the requirements of domestic and export markets and that unmanageable and costly services cannot be tolerated.

When we suggested we wanted an increase in production, we got one. We wanted a 5 per cent increase in production across the whole nation. If I am guilty of anything it is of underestimating the ability of the dairy farmers of Canada to be as productive as they are. They are in essence what some of my colleagues in cabinet would love to have. We asked for a 5 per cent increase in production. It appears that before the end of the year we will have about a 15 per cent increase in production. How envious the Postmaster General (Mr. Mackasey) would be of that position. The minister in charge of housing would also be envious of that position.

Mr. Baker (Grenville-Carleton): How about the Minister of National Health and Welfare (Mr. Lalonde)?

Mr. Whelan: His main responsibility is for those who cannot be productive. His main programs are for the unfortunate people in our society who do not have the resources to be productive. That is something I want to touch on later, the social policies for which he is responsible and the tremendous job he has done for our society.

Some people in our society suggest that we should give away our surplus products. They say we should distribute them in a free and happy fashion, just as though we were Santa Claus. The other day someone asked me if I thought the dairy farmers should have an increase this year with the surpluses we have in this nation. I asked him if he knew of any person who, this year, is not going to be entitled, according to the Anti-Inflation Board, to some increase in pay. There are 800,000 unemployed people in Canada. There is a surplus of people for the available jobs. Do you know of any companies that will take less profits this year?

There are people who say we should give this product away. They are suggesting we take away the security, livelihood, and interest of these people in their investment. They suggest we take away an income for their managerial ability and their labour. There are even those in my party who suggest that, and others from other parties who make the same suggestion. They say that because the farmers have a surplus product we should distribute it holus bolus all over the place, just throwing it onto the market regardless of what it does to any other segment of our economy. They are not concerned about what effect that may have on some other commodity in that market. We must be very, very careful about this.

The hon. member who spoke on behalf of the New Democratic Party stated that the Dairy Commission only does what I direct it to do. I suggest that he read the act. The act does not give the minister or the governor in council permission to direct the commission except with respect to the importation or exportation of dairy products.

If the dairy commission followed the act, it would only have to report to me once a year and I would report to parliament. It is a Crown corporation. It is an independent corporation. That is the way I want it to be. I said in this House last year that we want the farmers to run this organization as much as possible. However, because of world conditions last year and unforeseeable conditions, such as perfect grazing and perfect forage that we had right across this nation last year except in one or two small areas in Prince Edward Island and central Canada, and we have never had better weather conditions, there was an over-production.

I was told by the dairy advisers that we could ask for a 5 per cent increase but we would be lucky to get a 2½ per

cent increase. As I said earlier, we got much more than that. We got an increase that in many ways has become an insurmountable problem. It is difficult to solve.

We must be very careful that we do not create the impression, and I may have been guilty of this at times, that whatever is produced will be distributed on world markets or given to everyone in the world. Skim milk powder for human consumption has a limited life. In some cases it will not be accepted after 60 days of age and, in many cases, not after 90 days because it deteriorates. Because of the distribution system and storage facilities, as well as weather conditions, some countries do not want to keep it too long because it deteriorates.

To give the impression that skim milk powder is the same as cereal grains is wrong. It cannot be kept as long or distributed as easy, although it can more easily be distributed as a world food aid product than, for example, eggs. It is nearly impossible to use eggs in the world food aid program.

Let us talk about the world food aid program. The hon. member from the NDP, as well as the two others who spoke, talked about food aid. Last year, as we do every year, we sent about 23 million pounds of milk to world food aid. However, we must not use these countries as places for our scraps, just to dump our surpluses there. We do not want to create the impression that that is what we can do with all our surplus products. Many countries will not accept skim milk powder because it is not part of the diet of their citizens. They may react to it violently and, in some cases, it may even cause death. Therefore we must be very careful.

We spent $230 million on food aid items in the last year; milk, fish, beans, beef and so on. Food aid is paid for by taxes. The hon. member agrees with me it should be paid for by the total society, not only the agricultural segment that makes up about 6 per cent of our population. We are the largest contributor per capita to the world food aid program of any nation in the world, including the nation to the south of us.

At the present time there is a world surplus of skim milk powder of over 1,600,000 tons. It should be clear that many of these countries with surplus skim milk products do not have any kind of supply management program. The treasuries of those countries finance this to a great degree. Some finance it totally. It is called a food aid program, when some countries sell at under world prices. Maybe if you stretched the point a bit, you could say that.

Australia and New Zealand together have 225,000 tons of surplus skim milk powder. The United States also has around 225,000 tons. The European community is next. Canada has about 150,000 tons of skim milk powder.

I want to make some comment on what has been said about who caused the problem and about what the government has done to assist dairy farmers. There has never been a government that has reacted more to the requests of dairy farmers than this government since this Minister of Agriculture (Mr. Whelan) has been here. We have adopted a dairy policy which is a good dairy policy. No other nation has a dairy policy which can compare with it.

● (1550)

I have a document before me which I would like to have the permission of the House to have appended to *Hansard*—it would take too long to read. It underlines how each province administers the dairy program. That is one of the difficulties. There are not two provinces in Canada which administer their dairy programs in the same fashion. Yet the Canadian government, through the Dairy Commission, is responsible for trying to make sure the industry enjoys decent security and that the economic welfare of the industrial milk producers of the whole country is good.

I want to make it clear that we will be announcing no new policy until April 1. We will be announcing a program under the policy which was accepted last year, a policy largely in accordance with what the dairy farmers have requested. By law we have to announce that program by April 1, and we shall do so. It will not be a new policy, because we have hammered out, together with the provinces, a policy which is workable.

Every dairy organization which has anything to do with industrial milk, every provincial government which has any milk production of significance within its jurisdiction, knows that on April 1 a strict quota program will be introduced for them to operate under, something which was not the case last year. Some of the provinces, some of their marketing organizations, had asked for an extension of time to establish the production which they felt was desirable. This year the quota will be strict. They have agreed among themselves what the program will be this year as far as they are concerned, controlling production in the fashion they see fit. To say that we have not cared, that we have not shown concern for the dairy industry of Canada is, I repeat, just not right.

Hon. members talk about governments of Canada not paying any attention to the needs of producers. Consider the situation with regard to the import of specialty cheeses. Up until last year there was no control over the entry of specialty cheeses into Canada at all. We established control by means of a permit system, and the dairy farmers and producers agreed that this was a good thing.

The hon. member who spoke for the New Democratic Party mentioned the fact that I made an announcement on November 4 that we intended to increase the supply of imported cheeses up to 10 per cent of our needs. Mr. Speaker, I made that announcement on purpose because the Dairy Commission had asked me, as Minister of Agriculture, to make announcements and speeches designed to bring some order into dairy production because we were producing more milk than could be used in the industrial sector for both the export and the home markets.

We have announced there will be no increase of imports of specialty cheeses into Canada this year. We have also announced that we will be negotiating with those countries which presently export specialty cheeses to us. There are 16 such countries, so we are not being very fair if we point a finger only at the EEC. Exports from some of those 16 countries are subsidized very heavily. We are reviewing the position, and if there is some way in which we can reach a fair agreement on a better program covering these exports, we shall do so. The United States has been successful in stopping virtually every cheese product exported

which benefits from an unfair subsidy—it would be wrong to say these have been completely eliminated.

Let hon. members not forget that ever since the Dairy Commission was established in 1967 it has not been possible to import a pound of butter. To try to say there has been no control over imports is wrong. Butter could not be imported into this country without a permit from the Department of Industry, Trade and Commerce which, in turn, had to be recommended by the Canadian Dairy Commission, the body which imported the butter and distributed it on the market to those who wanted it. And the Commission distributed it at the going price for domestic butter. Any profits which were made could be put toward the cost of administration of the Dairy Commission.

This was a fair arrangement, an arrangement which would not disrupt the economics of that part of the industry. But our production went down, and in two years we had to import 110 million pounds of butter. In the last dairy consumption year we had to import 50 million pounds of butter. Was it wrong to do that? No, because we had to make sure that consumers who wanted to buy that product would still be in the market when we ourselves were producing enough to meet the demand.

Part of the problem in this country arises because in some areas the consumption of fluid milk has gone down. Some people say it has gone down because milk is too expensive for consumers to buy. Mr. Speaker, there has never been a time in our history when the productive people in our society have been in a better position to buy more milk or other dairy products for an hour's pay, and any politician who says anything different is doing an injustice to the dairy industry of this country.

The long term dairy policy we have adopted indexes producer costs returns for changes in input costs and labour costs. If they go up over 4 per cent in one quarter you are entitled to an increase. The dairy farmers of Canada have agreed to that. This is a tougher program—the program they agreed to last year is a tougher program than anything the Anti-Inflation Board is doing to labour or industry at the present time. All the dairy farmers want is a decent return for their efforts. They do not want to rip off the public, and under this program there is no rip-off, regardless of what the former chairman of the Food Prices Review Board or anyone else has said. If critics argue otherwise, let them prove it. The National Farm Products Council has not yet brought down a verdict, but as far as I am concerned, from reading the evidence put forward by the Canadian Consumers Association, there is no evidence whatever that the formula used to set egg prices in Canada was wrong. If they want to demonstrate that this view is not the correct one, let them produce real evidence. They have not done so yet.

The motion before us today says also that the government has given no consideration to the establishment of a broad marketing and distribution program for dairy products and by-products through proper legislation so as to enable production to truly meet the interests and needs of consumers. I have already touched on that aspect and pointed out that we have one of the finest distribution systems in the world. We enjoy some of the cheapest food in the world, and we have too much of it. Recently in the U.S.S.R. they fired their Minister of Agriculture. Why? Because they did not have enough food. Here in Canada one finds some of the editorial writers in this country suggesting I should be fired because we have too much food. Mr. Speaker, if I were in Russia they would give me a medal for producing commodities in the very efficient manner in which they are produced here.

● (1600)

I suppose the hon. member over there who is making a little noise at the present time—and most of his contributions never amount to any more than a little bit of noise—will be telling us how the dairy farmers of Canada and the Canadian Dairy Commission and other bodies should be giving away this product, something he has never suggested anybody else in society should do except the food producers. I notice he is always careful not to say that of the fishermen of Newfoundland.

Mr. Baker (Grenville-Carleton): On a point of order, Mr. Speaker, unfortunately there was a fair amount of time lost in the early part of the day on the motion advanced by the President of the Privy Council, and I think this subject matter is certainly worth giving this time to the opposition. Therefore I move, seconded by the hon. member for Elgin (Mr. Wise):

That the sittings of this House be continued this day to six o'clock for the purpose of the consideration of the opposition motion which deplores the action, or lack of action, on the part of the government with respect to the dairy industry and which is now before the House.

The Acting Speaker (Mr. Béchard): All those who object to the motion please rise. No member having risen to object, the motion has been adopted.

Motion agreed to.

Mr. Whelan: Mr. Speaker, members who have already spoken in the debate have never mentioned very much about the actual income of the dairy farmers. I thought they would have accused me of paying dairy farmers too much, or have been more charitable and say that if there was anything this minister did wrong it was that he made the dairy farmers and industrial milk producers the best paid industrial milk producers in the world. I am a little taken aback that they have not done this, but I see some other members are going to speak so possibly they will say that. People have been saying what the Food Prices Review Board has said, that my problem is that I have treated the dairy farmers of Canada too well. I do not think I have. But I have tried to be fair with them.

The policy we have, as I said, indexes the producers' returns for changes in their input costs. It also indexes and takes into consideration global conditions. A lot of people do not understand that this is one of the things to which the dairy farmers agreed. The dairy farmers of Canada subsidize and take care of their own exports in the world. To suggest that what CIDA buys is cheaper is not true. CIDA paid the going world price for skim milk powder and they sent it to those countries in dire need today.

The dairy farmers of Canada through their over-all organization, asked that we buy this year 100 million pounds of skim milk powder for food aid. However, it is a very difficult thing to try and force commodities on anyone. We have offered assistance through church groups, through all our trading offices, embassies, etc., to every world food aid program we know of. But countries in need

have their sovereign rights and they tell you what product they are going to use. We cannot tell them what product they are going to use. This is their right and it will always be their right as far as I am concerned in any world food aid program. We can offer a product that we have, but this is not necessarily a product that they are going to accept.

I mentioned provincial boards. I do not know if I have the right to table this or ask to have it printed as an appendix to *Hansard*, but I have a document showing in an abbreviated form how our provincial boards operate in Canada. I feel this is so important. We are calling a meeting next Tuesday to discuss the dairy policy for Canada. People have to understand what we are trying to do. When they read about the different programs the provinces have for marketing milk and then put them all altogether to make an over-all national program for milk, they can see the weaknesses, how the program can be unfair and discriminatory against certain producers, which I do not think anybody in this House wants at all. I do not think a producer of dairy products in one province wants to see a producer in some other province discriminated against in any way, regardless what province he comes from.

Mention has been made of the excessive amount of cattle in the country. We do have cattle in this country that should have been culled from the herds. There is no doubt about this. The problem was compounded by low prices for beef, especially in the cutter and canner market for cows. This situation has improved. There are more cows going to market at the present time. It is estimated that our dairy herds should be depleted by about 200,000 cows. The average dairy production per cow in Canada is about 8,200 pounds a year. With an average yield of 8,000 pounds per cow, this means a tremendous amount of milk is on the market that should not be on the market at the present time.

I do not think we are going to get out of the predicament the dairy industry is in this year very easily. As I said earlier, the problem was not entirely caused by the dairy producers of Canada; it was caused by world conditions, something a lot of people have forgotten. It was caused by some over-production in our country. We are going to solve the problem only by working together; by making sure that the provinces work very closely together in setting their proper quotas, and by the federal government working with the Canadian Dairy Commission to make sure that the dairy farmers in the industrial milk sector are treated in an equitable and fair fashion.

If I could have the concurrence of the House to ask to have the different provincial dairy programs printed as an appendix to *Hansard*, Mr. Speaker, I would appreciate it.

The Acting Speaker (Mr. Béchard): Does the House agree?

Some hon. Members: Agreed.

[*Editor's note: For document referred to above see Appendix "A".*]

● (1610)

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I am that much happier to take part in the debate on this motion that it is so definitely realistic that it deals with so actual a subject that it contrasts with the issue previously discussed, namely the question of privilege which delayed our proceedings by almost two hours.

Mr. Speaker, after having heard the remarks made by the Minister of Agriculture (Mr. Whelan), we must, above all, refrain from closing our eyes and see the situation as it is. I feel it is appropriate at this point that we should consider the factors which brought about the situation in which our industrial milk producers now find themselves. If the minister feels, as he has just shown, that there are no solutions, that the problems cannot be overcome, for the very same reasons we have been hearing for years, and year after year, we must come to one of two conclusions: either the government is not progressing at all, or it has no idea whatsoever of what progress is; and I would even go further and prove right then and there that the minister is not aware of the situation.

The government is criticized for allowing into this country products that can easily be manufactured in Canada in adequate quantities. The minister referred to that a moment ago; he said the Canadian Dairy Commission, in co-operation with his department is preventing the importation of butter; yes, he said that, barely five or ten minutes ago. But, on the other hand, import permits are being issued. Where is the logic in that? Imports are forbidden but permits are issued. I have proof if it here. This is a country where producers are penalized for producing over and above their quotas, while importation is allowed! I have here a question asked by the hon. member for Bellechasse (Mr. Lambert) which is on the *Order Paper*. I quote:

1. Did Canada import butter in the first eight months of 1974 and, if so, a) how many pounds of butter were imported, b) during what months? 2. a) From what countries was it imported, b) what quantities were imported from each country, c) at what cost per pound?

I hope the minister will not tell me again that butter is not imported.

Mr. Tessier: The hon. member should refer to 1975?

Mr. Matte: The same thing occurred in 1975. You could ask about 1975 but the same would be true.

Mr. Speaker, let us look at the figures for New Zealand in January: 3,330,400 pounds of butter; the United States, 392,000. In February, for Ireland, Australia and New Zealand, 8,287,800 pounds of butter altogether. This makes a total of 24,949,700 pounds of butter at a cost of $13,505,000. Mr. Speaker, people should stop giving explanations like those coming from the minister. It is true we are applying a madhouse policy. In fact, the problem the industrial milk producers are facing today stems from the orientation of the government milk policy for so many years.

Mr. Speaker, I will go even back to the famous speech our Prime Minister (Mr. Trudeau) made in New Zealand in 1968 when he clearly stated that because of the policy that his Department of Agriculture would henceforth apply in

Canada, it could be foreseen that milk and cheese imports would increase in New Zealand. He said that in 1968, eight years ago. So this situation is the result of the very thrust of the government policies.

The same thing prevails in respect of cheese. Even if the minister were to stand in his place and say: There is no solution, we cannot even market our products—

The Acting Speaker (Mr. Béchard): Order, please. The hon. minister of Agriculture (Mr. Whelan) rises on a point of order.

[*English*]

Mr. Whelan: Mr. Speaker, on a point of order, I am sure the hon. member would not want to misinform the House. The only time butter was imported into this country was when we did not have enough to supply our own market. We are not importing butter now.

[*Translation*]

Mr. Matte: The minister is giving weight to what I am saying.

Mr. Speaker, I said that the causes of the present situation ought to be analyzed. And in all fairness, we should also mention what should have been done by the government. What I have said, what I have proven, cannot be denied. Here is another example of what he has told us. That is all very good, but he says that powdered milk may be dangerous for people who are not used to it. However, if the government does not try to open stable markets in Guatemala, in South America, in Africa or in Asia, people over there will never get used to it. But the minister knows quite well that those people lack proteins, vitamins and that they are literally starving. Consumers must be given tthe option to buy or not to buy our products. I claim, as my hon. colleague from Lotbinière (Mr. Fortin) said, that we have a responsibility not only as Canadians but also as Christians. Mr. Speaker, we have no right to ignore people who are starving to death. And if they do not know how to feed themselves, it is our duty to teach them how. We all know that milk and dairy products such as cheese are wholesome, completely nutritious foods; therefore, it is our duty to arrange to train them to eat those nutriments which could make up for all the food shortages prevailing in those countries.

The hon. member for Hull (Mr. Isabelle) does understand that and this is why he is planning to go there as a doctor and I can see his point.

Mr. Speaker, if we look at things the way they are, we realize why we are in such a predicament; it is simply because we have not applied elementary principles. We do not seem to know yet that we are producing for the purposed consuming. We do not understand that yet.

If we were to apply this principle and if instead of avoiding the problem and justifying the lack of action in this area, the Minister of Agriculture had said today that from now on, in order to settle the problem of production surplus and of milk producers' revenues, he would set up a policy which would open the Canadian market "exclusively" to Canadian producers, that if we say to the industrial milk producers that they will have the exclusivety of a market of 24 million people, in may opinion, this would settle the problem and prevent any surplus of milk powder.

I already said a word about that; it would be easy to solve the problem through appropriate studies and research and by urging those concerned to conform to this consumption.

Mr. Speaker, I submit that we should not continue to dodge the question and say: No, we do not import cheese, no, we do not import butter. Yet millions of pounds of these products are imported into Canada and the problem will never be resolved that way.

It has always been noticed that there is a lack of consistency between the attitude of the Minister of Agriculture (Mr. Whelan) and that of the Minister of Industry, Trade and Commerce (Mr. Jamieson), since we are, as in other industrial areas, invaded—

The Acting Speaker (Mr. Béchard): Order, please. I apologize to the hon. member for Champlain, but there is a rule which states that we are not allowed to drink anything but water in the House. I think that the Minister of Agriculture is giving good example by drinking milk, but this is not consistent with the Standing Orders.

The hon. member for Champlain.

An hon. Member: Good show!

Mr. Matte: Mr. Speaker, if the minister drew out the slice of bread and butter he has in his desk, we might find out it comes from New Zealand.

Mr. Speaker, it is therefore essential to urge the Minister of Agriculture, in particular and the government in general to finally introduce a sound policy in such a vital area. It is not even a matter to be discussed, it is fundamental. Consenquently, never should measures have been implemented which might discourage if only some of those who remain, so that they can continue to earn their living.

I would even say that it is a kind of sacrilege or scandal to deprive a class of producers as essential as farm producers and, as far as today's debate is concerned, the industrial milk producers. My colleague for Lotbinière (Mr. Fortin) emphasized this and I shall repeat it, since statistics published in the newspapers last week actually mentioned that there was underconsumption in Canada.

The minister puts forth all kinds of reasons, such as powder milk does not keep. Mr. Speaker, it is also difficult to keep natural milk. But solutions can be found if enough research is made, and everybody knows the milk now being distributed under the brand name Evangéline. That milk is good as long as the container remains closed, and it can keep for months, even years.

● (1620)

As to powder milk, the minister feels that we face a major problem because it does not keep for more than 60 or 90 days. But heaven knows how much research is necessary to develop containers like those produced by the Quebec dairies. They designed a container which makes it possible to keep milk almost indefinitely and which is on the market right now. It is on the market right now. We should do the same in other fields. Particularly, as I said, we should never give such reasons when we know that consumption falls far short in Canada. In the morning when you see a single quart of milk at the door and you know that five children under 10 are living in the house,

you realize that something is wrong. There should be five quarts of milk. So you see that because of inflated prices, of inadequate policies, people do not eat enough cheese or butter—

The Acting Speaker (Mr. Béchard): Order. The Minister of Agriculture on a point of order.

[*English*]

Mr. Whelan: Mr. Speaker, again I am sure the hon. member does not want to misinform the House and the people. Under our constitution when a product is sold or produced within the boundaries of a province it is totally under the jurisdiction of that province. Let us keep this on the right plane. We have no authority over the fluid milk about which the hon. member is talking. We have authority over industrial milk. Under our subsidization program for industrial milk we get four quarts of skim milk from one pound of powdered milk subsidized to the tune of 34 cents a pound, which amounts to a cost of 17.5 cents a quart.

The Acting Speaker (Mr. Béchard): Order. This is not a point of order but a matter for debate.

[*Translation*]

Mr. Matte: Mr. Speaker, I think that the government is there to govern. If there is a problem of constitutional authority distribution in Canada, as we always say we should deal with this problem. If every province should be given more power, the governement should say what kind of policy should be implemented to deal with that problem. We try to make a distinction for instance between the fact that natural milk is under provincial jurisdiction, particularly the province of Quebec in the case I am talking about, and that industrial milk is under the jurisdiction of Ottawa. The cow in the pasture does not see any difference. It does not know if it gives its milk to Ottawa or Quebec.

Mr. Speaker these realities might appear simplistic but we have an administration that gives a simplistic—not to say stupid—direction to milk production. This is why, to conclude, I wish to make people understand that we would like to deal with this problem once and for all. I have been here for eight years and every year the same problem arises. Why does it? As I said before it is because of the basic direction of this government. Then, this direction should be changed.

To change that direction, it is quite simple, it is quite clear, one of the most important points I think is first to guarantee to Canadian milk producers that they will have exclusive access to the Canadian market. Second, then build policies on common sense. That is to say we should go at it on the basis of the needs, that production must be made as to meet all needs. Since people do not consume enough it is normal that we should demand increased production, not that it be reduced. Let us take the necessary steps.

If it is simply a matter of money, it is normal, Mr. Speaker, that producers should be paid on the basis of the work they have to do. I would say that particularly in their case it is perhaps more of a profession than a trade since nobody suspects the basic part of the work being done. It would even be normal that they should have an income and profit even a little above that of the average worker. They do not even ask that. So if on the other hand prices must be adequate and appropriate to promote consumption of that product, Mr. Speaker, we have solutions to all that.

How many times did we say: If you no longer want to give grants to producers, give discounts to consumers. So if you want to promote a rational consumption for a basic product like milk or its by-products arrange those prices in that way by giving discounts to consumers according to their needs no consumption of milk and milk products can be promoted and the problem of milk producers of this country can be solved once and for all.

● (1630)

Mr. Denis Ethier (Glengarry-Prescott-Russell): Mr. Speaker, it is somewhat of a problem to speak after the hon. member for Champlain (Mr. Matte). Although I may show less eloquence, I can however assure the gentlemen in the gallery who are interested in agriculture that I will be more sincere.

I would first commend the hon. member for Lotbinière (Mr. Fortin) for having chosen for this opposition day such an important matter, that is no doubt of concern to every member in this House. The fact is we are now at the end of the 1975-76 milk production year, the fact is we are awaiting with anxiety the news of the 1976-1977 milk policy. I am convinced that my hon. colleagues are sincere in their concerns for farm producers, and especially milk producers. I would like that we limited ourselves with constructive, positive suggestions, rather than taking this opportunity to draw the attention of farmers and milk producers, and indeed to play politics.

The hon. member for Lotbinière, in his motion, seems to have limited himself to hypothetical comments, because I am convinced he does not know the details of the 1976-77 milk policy any more than I do. He can no doubt think of certain assumptions, he can even criticize because such is the opposition's role. The opposition can even detect some *malaise* in the industry. I repeat this is the opposition's role to stress them. But above all, their role is to cooperate and share their vast farm knowledge, in order that we may together help an industry that has no other goal than survival. The industry want no more than their fair share, like the businessman or the tradesman. They simply want to be understood by the people. It is the opposition's role indeed to raise such problems, but I feel they are somewhat late in their offer for cooperation. This is why I say they are playing politics.

We, in the Liberal party, since we were made aware of the surpluses and know that the dairy industry would have problems, we got down to work and arranged many meetings with various groups representing the dairy industry in order to obtain suggestions for the formulation of the 1976-77 dairy policy—and I can say that those meetings were always most interesting and friendly.

Various groups explained their problems and made also suggestions, even gave some advice which I am sure has been conveyed to the minister and hopefully will be taken into account in our dairy policy for 1976-77. But, Mr. Speaker, the advice, suggestions and even positive criticisms of those great experts opposite have never been voiced.

An hon. Member: They are not here.

Mr. Ethier: On the contrary, every year they speak out just before the dairy policy is announced and once again they play politics. In part (b) of the motion, Mr. Speaker, the Social Credit Party of Canada seems to forget how much assistance farmers and not only milk producers have received under federal programs since the appointment of the hon. Minister of Agriculture (Mr. Whelan) in 1972.

It is true that we are now facing an overproduction problem for 1975-76. However, as I said earlier, following many consultations with milk producers and the pressures brought to bear by all the rural members of our caucus, the cabinet will hear us and I hope that the Treasury Board whose minister is here today, will follow up on our recommendations.

I would be remiss if I did not mention in particular the work of the hon. member for Compton (Mr. Tessier) and the hon. member for Beauce (Mr. Caron) who have devoted many hours of work to the preparation of a working paper which was submitted to the cabinet. In part (b) of his motion, the hon. member for Lotbinière blames the government for its failure to introduce adequate legislation which would protect producers and enable them to get a fair return for their work and investments, so that the production may be available to the consumers at a reasonable price.

This raises grave doubts about the validity of the motion since it is precisely the dairy policy for 1975-76. But like for every good thing or every good program, we shall go from difficulty to difficulty from 1975 to 1976 because of overproduction. The hon. member for Lotbinière started his speech by making fun of the issue and saying that there was no overproduction. Well, let him make fun and say that there is no overproduction. I see several of my friends in the gallery. When we discussed the problem, they understood that there was overproduction, just like we understood it ourselves. We want to solve this problem.

The hon. member also talks about a secret committee. He says that they had a secret committee, that they were not able to say what was their concern about agriculture so as to help rural and dairy producers in their constituencies. I am not a member of the committee on agriculture. I work for the whip with my friends. However, I have seen the attendance records and I did not see the name of my hon. friend, Mr. La Salle. Not a single one of my friends of the Social Credit Party of Canada came to discuss the dairy policy at the last four meetings. Some people claim to be sincere today and ask us to spend an additional hour in the House. Sir, I would simply—

The Acting Speaker (Mr. Béchard): Order, please. I should like to remind the hon. member for Glengarry-Prescott-Russell (Mr. Ethier) before recognizing the hon. member for Joliette (Mr. La Salle) that members should not refer to other members by name.

Mr. Ethier: Mr. Speaker, I am sorry and withdraw what I said if I have offended—

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for Joliette (Mr. La Salle) on a point of order.

[Mr. Ethier.]

Mr. La Salle: Mr. Speaker, I rise on a point of order. I would like to say a few things to the hon. member for Glengarry-Prescott-Russell (Mr. Ethier) who persists in remarking about the absenteeism of some members of a new committee. Mr. Speaker, I think this in an important matter and that it should be raised. I have not accused anyone of not attending a committee because I know that government members have many responsibilities. We all have our responsibilities but the House should know that we have met them in the last four months.

The Acting Speaker (Mr. Béchard): Order, please. The hon. member for Joliette knows very well the rules of the House; this is not a point of order but a point of debate.

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

The Acting Speaker (Mr. Béchard): The hon. member for Lotbinière, on a point of order.

Mr. Fortin: Mr. Speaker, I rise on a point of order and I should even say that I rise on a question of privilege, since the hon. member—and I refer here to our Standing Orders—mentions the fact that a member is being present or absent. I want to tell the House, on behalf of the hon. member for Bellechasse (Mr. Lambert), whom the hon. member for Glengarry-Prescott-Russell (Mr. Ethier) and our other friends sitting opposite know very well, is now ill and that the hon. member for Bellechasse is one of those who attended committee meetings most regularly. If the hon. member want to play such petty politics as to give such a low blow and direct his attacks to members who are ill, perhaps we should mention his own illness which, so far, has never referred to in this House—

● (1640)

The Acting Speaker (Mr. Béchard): Order, order. The hon. member for Glengarry-Prescott-Russell (Mr. Ethier).

Mr. Ethier: Mr. Speaker, if I offended one of my colleagues by naming him, it is because I got carried away. Perhaps I have too much at heart the matter before the House today. I want to single out the hon. member for Bellechasse (Mr. Lambert) and I can say that he is really sincere. I often saw him at the sittings of the committee on agriculture and if he is ill today, I wish him a speedy recovery. I can say he is really devoted to agriculture.

Mr. Speaker, I wonder whether we should go witch-hunting and find out who is the villain, or whether we should not work together to find a solution to this problem.

[*English*]

I think we could gain much from working together, approaching this problem in a co-operative manner, and everyone concerned accepting part of the blame, the Canadian Dairy Commission, the marketing boards, the Producers' Association, the producers themselves, the excellent weather we had last year, and perhaps we should also blame the cows for giving too much milk. I sense the feeling in our discussions with the producers that they all agree there was a surplus in production and they all agree to reduce production this year.

When we asked the producers to reduce their production, they agreed to the tune of some 10 per cent, 15 per cent, and for some of them, perhaps 20 per cent. That will mean a

gross revenue minus of some 10 per cent or 15 per cent, but when it comes to a net revenue, that will mean something in the vicinity of 25 per cent or 30 per cent less for them. This we cannot accept, and that is why we have made strong recommendations to our cabinet and strong recommendations to the Treasury Board.

Since I suggest we are responsible for the surplus on hand, and the producers agreed to reduced incomes, I also suggest that the cabinet consider our working paper which was presented so that the government will take its share of the blame. The dairy commission should also accept its part of the blame and during this coming year monitor the production on a much more precise and regular basis, and report to the government and to the marketing agencies so that the over production of this year will not be repeated.

[*Translation*]

Of course, this would be done with the co-operation of the management committees who are also parlty responsible because they are in charge of marketing.

In his motion, the hon. member for Lotbinière (Mr. Fortin) refers to a long term policy. I would appreciate it if he would follow more closely the discussions on agriculture and the changes effected in the dairy industry. In my humble opinion, as long as we have two markets for a single production, there will be some confusion and it will be practically impossible to implement a long term policy. It will be possible as soon as all our producers are integrated. It is quite difficult to understand an integration system for those of us who are not farmers. A cow has four teats, two connectd to the industrial milk tube and two on the whole milk tube, and it is rather difficult to explain the price margin to consumers. During the few months I have attended their meetings in the three years I have spent here, those matters have been explained to me. Now I understand that whole milk producers have incurred more expenditures. If eventually total integration in carried out, the producers will be refunded the extra expenditures they incurred on their farm.

It is our fondest wish to see along term policy established for the dairy industry, but as I said earlier, I suggest that there should be a single market for a dairy product. Then a long term policy would be feasible.

I am convinced, as the Minister of Agriculture (Mr. Whelan) said earlier, that if workers in other sectors were as productive as those in the agricultural sector, and I would even point out to the President of the Treasury Board that if his public servants were as effective as our farmers, we would have a lot more services, and perhaps our production and service costs would be reduced here in Canada.

I will conclude by saying that I have read a press report about a provincial minister criticizing the federal government. I would instead invite him to join with the federal minister in trying together to develop a policy that will help farmers rather than hurt them.

[*English*]

Mr. John Wise (Elgin): Mr. Speaker, it is indeed a pleasure for me to address the House this afternoon on the subject raised by the Social Credit Party of Canada.

Before I do so I feel obligated to utilize this opportunity to draw to the attention of the House the comments made by the minister when he began his speech. The minister indicated that the official spokesman for the opposition party had not attended the meetings of the Standing Committee on Agriculture. I want to make it clear that I have the pleasure of being the official opposition dairy spokesman, and I believe the record will indicate that the Standing Committee on Agriculture has held four meetings and that I attended them all and participated in them all.

The record will also indicate that my colleagues and I put forward many constructive suggestions and criticisms, and if anyone wishes to examine the record of the standing committee he will see that in fact the minister agreed with some of the suggestions made. I mention this in case it might prove embarrassing—

Mr. Malone: Lay a charge, Gene.

An hon. Member: Put your seat on the line.

Mr. Whelan: I just want to say that I meant the official spokesmen who were speaking for the party on the lead off speeches today. The hon. member is a diligent member of the committee and the House, and is fairly knowledgeable, most of the time, on dairy issues.

Mr. Wise: It should be stated at the outset that the responsibility for the dairy industry, as far as governments are concerned, must be shared both provincially and federally. Fluid producers are more closely associated with their respective provincial governments and milk marketing boards or agencies, while on the other hand the producers of industrial milk are associated with the federal government, the fate of the latter being almost entirely in the hands of the federal government and its over-all policy enunciated by the Department of Agriculture and the Canadian Dairy Commission.

The Canadian Dairy Commission is also responsible for the purchase of that which is surplus to the fluid milk trade. The support payments to the dairy industry are not recent developments or policies. Rather, they began in 1935 and have continued in some form or another over the past 40 years.

Dairy subsidies were first initiated and continued for three main reasons: first, to maintain and hopefully to build a strong dairy industry in Canada; second, to ensure an adequate supply of milk and other essential dairy products to the Canadian population at reasonable prices; and third, to improve the incomes of dairy farmers and dairy producers. The federal government agencies entrusted with this program were the Agricultural Prices Support Board formed in 1946, the Agricultural Stabilization Board established in 1958, and later the Canadian Dairy Commission established in 1966.

Dairy farming is one of the most important and oldest agricultural industries in Canada. It is interesting to note that history records the first arrival of dairy cattle with the United Empire Loyalist movement to Upper Canada in 1785, and that the first cheese factory was established in 1864 in the constituency of my colleague, the hon. member for Oxford (Mr. Halliday).

It is estimated that cash receipts from dairy products, excluding government supports and sales of livestock,

exceed $1.1 billion, and that receipts including these two exceed $1.7 billion.

Dairying finds its home in every province and constitutes the most important single source of farm income in Quebec, British Columbia and Nova Scotia, and the second most important source in Ontario and New Brunswick. Quebec and Ontario are the leading production provinces, both receiving approximately $400 million, and in turn returning those dollars into their business communities. British Columbia, Alberta, and Manitoba as well possess sizeable dairy industries.

It is important to note that when the dairy industry is in trouble a large percentage of the entire agricultural sector is in trouble as well. I make that statement because 71 per cent of all commercial farms in Quebec, for instance, are dairy farms. The same comparison for Nova Scotia reveals 46 per cent, New Brunswick 32 per cent, Ontario 30 per cent, and in Newfoundland 29.8 per cent of commercial farms produce dairy products. The national average is 22.6 per cent.

In view of the foregoing it should be recognized that if governments ignore or fail to deal adequately and fairly with the dairy industry, then they are failing to deal with a major group within the Canadian economic structure.

A healthy thriving agricultural industry benefits all Canadians, both consumers and producers. It is estimated that 40 per cent of Canadians derive their income, or at least a large percentage of it, either directly or indirectly from the agricultural industry. The rather drastic changes within the industry and the painful adjustments made during the past decade have left a large proportion of the national dairy herd in the hands of competent producers. These producers have developed a superior command of modern dairy production technology. Their record clearly illustrates unmatched efficiency. What is now required is an economic climate in which these operators can employ these skills, and at the same time have the confidence that their capital management and labour will be rewarded with, at least, normal financial returns.

● (1650)

Extremely large investments are required. We are aware of the fact that the creation of a modern but modest sized dairy operation involves a capital outlay of between $100,000 and $300,000. In addition large capital outlays are also required to expand the scale of operation in order to build viable units and to meet health and production standard demands and requirements.

In numerous cases, Mr. Speaker, these expenditures have been made and large amounts of money have been borrowed at high interest rates. The reduction in allocation to the Farm Credit Corporation and the reluctance, or in some cases absolute refusal, of chartered banks to lend under the Farm Improvement Loans Act have compounded the producers' financial difficulties with respect to the cost of capital. Many of these expenditures have been made quite recently, and many of these were made on the basis of assurance of a long-term dairy policy commitment by the government.

Many will recall the hundreds of representations made to the government by members, agricultural organizations, producer groups, and dairy industry people prior to 1974 and early in 1975. We recall the minister unveiling what he termed a long-term dairy policy almost a year ago. Events of the past year reveal the only resemblance to a long-term commitment to Canada's "12-month-old" long-term dairy policy is the long list of changes and revisions, all of which proved disappointing and detrimental to dairy producers.

Private outlays by producers were made on the basis of reasonable government assurances of a year ago, and they were made to enable the producers to improve their position and at the same time to succeed in obtaining the most additional milk per dollar of outlay of public moneys.

In the rather brief time allotted, Mr. Speaker, and with the thought of allowing as many members as possible to participate in this debate today, I do not intend to recite a description of the events surrounding the government's actions in past months. For similar reasons I do not intend to repeat arguments on many aspects of the dairy industry, arguments I have raised previously in the House; but I must indicate my doubt about the government's real concern and real desire to maintain a strong and healthy Canadian dairy industry. Producers often relay to me similar feelings; and in view of the minister's statement of November 4 one wonders if the real desire of the government is to have Canadian markets largely if not totally supplied by imported dairy products.

In a recent speech on March 5, to dairymen in Uxbridge, Ontario, the minister commented:

> I'm also looking at the possibility of stopping importation of subsidized milk products. The United States does not allow imports of dairy products that are subsidized by the exporting government. Why should Canada be different? Why should Canadian dairy farmers be expected to compete against foreign treasuries? I don't think they should and I'm looking into the possibilities of cutting off subsidized imports.

I questioned the minister in the House about these comments of March 5. His answer was somewhat fuzzy, his words lacking the confidence and determination that were evident in his address to the Uxbridge dairymen. Although the minister has spoken I hope that he will in future expand on this possibility with vigour, and relate news of some progress in this regard as well. The continued importation of dairy and milk products is extremely damaging to the industry, particularly at this time when stocks are high. It goes without saying that it is contrary to the government's commitment to a supply management program.

A brief example to illustrate such damage, Mr. Speaker, would be the case of cheese imports. If cheese imports could be reduced by nine or ten million pounds, a saving would result to dairy producers of approximately $3.6 million; or, more simply stated; every million pounds of imported cheese cost the dairy producers $360,000. I recognize and appreciate the recent decision of the Minister of Industry, Trade and Commerce (Mr. Jamieson) not to increase these imports at present. This was a step in the right direction. However, I remain convinced, and I am certain that industry people are equally convinced, that in view of present circumstances a move by the government to reduce import quotas is nothing short of a necessity; if such a move is not taken shortly, a breach of good faith will have been clearly demonstrated.

In dealing with the Uxbridge speech I could not let this opportunity pass without questioning the wisdom of the

minister's advice to these dairymen regarding the easing up of feed rations. The minister said, "This will save you money in feed cost and has the effect of lowering output per animal." Such advice is unsound and, I am certain, unacceptable to producers. Successful operators will be familiar with the terms breeding, feeding, and weeding. Emphasis on these practices is necessary for success, and I am certain that much sounder advice could have been given on that occasion if the emphasis had been placed on weeding rather than feeding.

Skim milk powder, we agree, is in abundance on the world market. However, this does not excuse the government's dismal record regarding its commitment to CIDA for the world food aid program. The record indicates quantities that are well below previous years, only 14 million pounds for this fiscal year as compared with 25.5 million pounds for 1972-73, 23.6 million pounds in 1973-74, and 23.9 million pounds in 1974-75. The dairy farmers of Canada have indicated their willingness to participate in a program that would involve 100 million pounds of skim milk powder for this purpose on a long term basis. I am certain that most Canadians would agree that the need for world food aid has drastically increased over the past years and that the government should earnestly explore this commendable offer.

May I conclude, Mr. Speaker, by making a few recommendations and by issuing a word or two of caution. First, the Minister of Agriculture should explore every possible avenue in order to create an effective supply management program for industrial producers similar to that now functioning for fluid milk producers.

Second, the Canadian Dairy Commission should institute an effective incentive program to even out year round production. Both of these suggestions, if properly adopted, would reduce surpluses, match supplies more closely with demand, and eliminate present discrimination against those producers who on their own have developed a regular and even year round flow of milk.

Third, the minister and the Canadian Dairy Commission, in conjunction with the producer organizations, must decide which party can do the most successful job of selling and marketing dairy products, both domestically and for export, and then get on with the task.

Fourth, there must be more discussions between federal and provincial governmental officials and those in the industry regarding not only changes in dairy policy, but also other changes in the field of financial incentive schemes and capital grant programs.

My main concern, Mr. Speaker, is that when the minister announces his revisions to the dairy policy for 1976-77, that, in the interest of both producers and consumers, he does not over react to our surplus position. I am confident that he is well aware of the fact that from 8 per cent to 10 per cent of overproduction was due to the favourable weather conditions that existed last spring and summer. This is a situation that will probably not repeat itself in the next 12 months.

● (1700)

The minister should be aware of the large numbers of dairy heifers now added to the milking herds because of declines in exports 24 to 36 months ago. It is estimated that there could possibly be some 30,000. We remind the minister that there is a good indication of a strong recovery in export sales. He must share some responsibility for the large number of older dairy cows remaining in herds simply because of low beef prices.

The minister must recognize as well that the dairy cow, like the chicken, does not turn on and off with the flick of a toggle swich. Indeed, as many producers in Elgin and throughout southwestern Ontario who experienced the devastating ice storm earlier this month are aware, the dairy cow not only continues to produce in the dark, but she must be milked at times in the dark as well.

One can only speculate as to what the changes in federal dairy policy might be. I trust that some of the foregoing factors that have been placed before the minister on this and other occasions will be taken seriously at cabinet level.

I am confident that producers will accept the challenge that is before them. It is hoped that the announcements and actions of the government will demonstrate a willingness to maintain this important industry which is so vital, not only in financial terms, but important and vital to the health and well-being of Canadians and to countless thousands in under-privileged countries around the world.

[*Translation*]

Mr. Claude Tessier (Compton): Mr. Speaker, the social crediters opposite are probably among those who shout that the government ought to cut down on expenses. They also want the government to reduce borrowing to lower taxation and stop paying interests. Could they clearly tell us how the government could work its way out of this dilemma, and on what conditions?

Mr. Speaker, are hon. members opposite prepared to admit that their suggestions to-day would result in increasing prices to the consumer to a fantastic degree or in increasing taxation and decreasing our exchanges to the extent of endangering our exports, and finally putting our dairy policy in complete jeopardy. To seek to maintain the income of the dairy producer is one thing but to understand its implications is quite another. We think it can be done but it will require imagination and courage and that is why I take pleasure in accepting to participate in this debate. I ask the sponsor of the motion today to go that far and if such is the case, we shall have worked for milk producers without attempting to desperately save a few members who lose their credibility day by day with unrealistic and irresponsible solutions.

What is at issue now is an industry of $400 millions at least. If we refer to the budget of 1975-76, which was of $279 millions, we see that this represents an increase of some 30 per cent. This is not surprising, since each dairy year we see a declaration of war between the good and the bad guys. What is strange is that the good guys always seem to be on the same side, that is on the side of producers and their partners, however short-lived that partnership may be, and the bad guys are always on the government's side, that is on the side of those who foot the bill and who are blackmailed with old political and demagogical lines. In addition, Mr. Speaker, in 1976-77 new problems arise, namely the budget cuts that all Canadians consider as necessary, even if they must be considerable and be added

to the surplus of 1975-76, whose effects must be distributed over the next years and particularly the dairy year 1976-77.

The problem is as follows: Who must pay in 1976-77 for the errors of 1975-76? What will be the payment conditions? And more particularly, will industrial milk producers and consumers be the only ones who pay? What will be the influence of such a decision on consumer prices, on the producer's income, on agriculture in general, and on the economy in rural areas bearing in mind that the Canadian dairy policy was at first designed to help both producer and consumer? Who will in fact bear and share the financial burden and what will the consequences be?

On this side of the House, we are confident we are talking after having proved our agricultural skill and efficiency. In discussing milk policy, in particular as far as eastern Canada is concerned, we are proud to be in an advantageous position and milk policy is a liberal policy, a policy which is clearly to the advantage of eastern Canada, and of Quebec in particular. And the year 1975 is a brilliant proof because if you read as we did about the income of different cooperatives like producers associations, it can be regarded as very satisfying. Even if we are proud, Mr. Speaker, we are aware of the adjustments which must be made; they will be included in the 1976-77 policy.

● (1710)

I too ask myself why our friends of the Social Credit Party opposite are suddenly concerned with milk producers. I have been a member of the Committee on Agriculture for two years and I wonder whether they represent rural constituencies and if so, where they are in the committee? I would like to give a precise example which has already been mentioned. We had three meetings with the Canadian Dairy Commission and we discussed precisely the dairy policy for 1976-77 while the representatives of the Social Credit Party were conspicuous by their absence. I would even say that I am surprised we have such a consistent policy because it has been established mostly by hon. members from urban constituencies. Today the members of the Social Credit Party do not know what to be concerned with, it seems so they suddenly turn to agriculture. One thing remains however: they discuss a subject they are not familiar with. They think they can get away with simply setting up commissions while they do not even take the trouble to check whether or not their demands are in keeping with the administrative capabilities of the country. In fact this administration is so complex that the only way a competent M. P. can make a meaningful contribution is by dealing only with local and regional grievances. Today's motion only vindicates what I have just said. Who said that the dairy policy proclaimed early in 1975 had been abandoned? It was not the government, it was the management committee. Who said that the dairy policy would not ensure the dairy farmer's income security? That was the management committee and not the government. Who said we should shut the door to all dairy imports since it is a well known fact that we have about $250 million stocks and we keep hoping to sell those goods? So, I think that if we believe in trade we must also believe in buying. It is a matter of balance which we have just discussed.

Who said the subsidies would include the increased cost of inputs since this increase has been covered by an automatic adjustment formula which is part of the 1975 policy? Who said the federal government should take over marketing? Must more be added to costs we already have a hard time to meet? Those are as many statements that prove our Social Credit opposites do not know the basic elements of our dairy policy, its objectives, nor to they know the partners in that dairy policy.

To discuss the matter requires competence, professional conscience and an understanding of administration, and not just a feel for political hay and "blah-blah", as the hon. member for Shefford (Mr. Rondeau) said, which more often than otherwise just mixes up the problems. Our position is known and clear, and our recommendation is this: That the support price for 1976-77 be set at $11.40. We recommended that the subsidy be kept at $2.66 a hundredweight of milk, that the quota be set at 95 million hundredweights of milk and that the levy, in fact, be set at a maximum of $1, conditional upon an agreement between the parties, so that once and for all it is recognized that export costs must be covered by that levy. There are implications here for the government and we have just asked the Treasury Board, merely for holding the subsidy at $2.66, for an amount of $40 million.

We also ask the Cabinet to respect and maintain the producer's income and the income indexing principle, as stated in the 1975 policy. Accordingly, we ask the Treasury Board to pay the amount of $40 million since we claim that storage and interest costs must be paid by the government.

We also want the government to pay a larger share, but we reaffirm at the same time that exportation costs must be borne by the producers. This request is based on the fact that we want and require from the Cabinet the opportunity to have a profitable agricultural industry. We also want to have the assurance that our agriculture will be supported because we want to protect the economy of our rural areas. As the year 1976-77 moves in, if we want to talk seriously about this country a dairy policy, we have to raise the specific problem of surpluses. Various reasons can be put forward, but basically, I think that the Canadian Dairy Commission must be blamed for its lack of control. If it cannot provide a necessary and efficient control, it should be replaced.

Second, we say that the principle of maintaining income is acceptable, and we fully support it. Third, we blame the Canadian Dairy Commission for having changed the $2.66 subsidy the government had committed itself to, and I think the Canadian Dairy Commission ought to honour this government's commitment.

Fourth, I suggest the Canadian dairy commission be modified as follows, in order to achieve full representation of the different partners to the dairy policy. On the government side, the Treasury Board, the Department of Industry and Commerce, the Department of Agriculture and the Department of Consumer and Corporate Affairs should be represented. On the side of the producers, let us have a representation of the Canadian federation of Agriculture, the federation of milk producers, and the UPA.

As far as surplus is concerned, I would like to mention a few specific reasons for it: first, I think that the 1975 surplus was due in part to the lack of effective and appropriate control by the Canadian dairy commission, and the lack of authority on the part of the Canadian supply

management committee. Second, we recognize that weather played its part. Third, the normal increase in fluid milk we expected turned to be a decrease of 1.1 million, which causes a surplus of 3.3 million hundredweight of milk.

The government is also responsible, on the one hand, because it did encourage to produce more. And looking at our production in past years, we were right in asking for an increase in production. Fifth, manufacturers produced less cheese, perhaps to cut back their inventories by shipping their surplus milk and butter to the Canadian Dairy Commission, thereby increasing their profits by not having to pay storage costs. But, by the same token, they were forcing the Canadian Dairy Commission to support inventories. Sixth, that was the first opportunity the milk producers had to increase their quotas without charge, without having to hand out a large sum of money. Seventh, the difficulties encountered with respect to the price of butter caused the producers to keep their cast cows which, although not champions, still were giving milk and substantially contributing to the surplus. These examples: There are 90,000 cows too many in Quebec in 1975-76. Eight—

● (1720)

Mr. Rondeau: Come on. After all!

Mr. Tessier: I was not referring to the member for Shefford (Mr. Rondeau). Eight, the possibility for the producers of fluid milk of adding a second quota of up to 900,000 pounds of industrial milk.

Nine, the lure of "income", stirred up by the inclusion of a $1.00 increase in the long term policy for 1975-76 was also conducive to increased production. Ten, we have seen cattle breeders come back to the dairy industry. The result was that we had to deal with a surplus and with tremendous maintenance costs. Mr. Speaker, the question is this: who must pay the consequences of the solution to this problem for which the producer is not the only one to blame? At this moment, the responsibility lies with the government and more particularly with the Canadian Dairy Commission. On the other hand, the Treasury Board seems to be willing to free the Government from this problem by referring it to the Canadian Dairy Commission, which, because of budgetary constraints and the obligations assumed with respect to the surplus has no alternative but to switch it back into the hands of the producers.

True enough, we on the government side say that we do not agree with such a cut. If we were to listen to the supply management committee, and I repeat, the supply management committee, would not the real culprits be required to pay for their mistake? The answer is no, if we only go after the producer.

Are we not by the same token distorting the dairy policy of which it was said only in 1975 that it was a long-term one? We must then absolutely reject the management committee proposals. Are we not having the minister of Agriculture (Mr. Whelan) facing the fact that there are various solutions to similar problems in the area of agriculture? How shall we explain them, and we insist on being consistent with ourselves in order to provide our producers with a similar solution, wherever they are in this country? The government must require a certain amount of control and, indeed, producers are ready to accept it, because they consider it as absolutely necessary. Nevertheless, let us not confuse—and this applies to members of the Social Credit Party of Canada as well—control and production reduction.

We should implement, and we do insist on it, a genuine system of control. We should be provided with the necessary tools to apply such a control; otherwise, what would be the base of such a legislation? Producers will be justified to ask whom they shall trust. It will also make clear that if we are to approve the supply management committee's proposal it is the farm producer's income that will be directly affected and moreover it will go against the dairy policy announced previously and strongly defended in the past. Not only will the farm producer's income be affected but so will the rural economy which has no other way out than compensate for the present economic fluctuations.

Let the management committee control and let us assume our own responsibilities. That is the kind of message the minister should make and if he should ever meet dear Mrs. Plumptre, he could pass her the word.

The Acting Speaker (Mr. Clermont): Order, please. The time allotted to the hon. member for Compton (Mr. Tessier) has expired. He cannot carry on without the unanimous consent of the House.

Does the hon. member for Compton have the unanimous consent of the House to proceed?

Some hon. Members: No.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Clermont): Order. I regret, but I have heard some nays. Therefore, I will recognize the hon. member for Shefford (Mr. Rondeau).

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, first I should like to sincerely thank the hon. member for Lotbinière (Mr. Fortin) for having given us today the opportunity to hold a debate on such an important and vital matter as that of the dairy industry in Canada.

I also wish to thank all farmers who, in spite of their heavy task, have covered long distances in such bad weather in order to come here once more and state their problems and listen to those hon. gentlemen who stay in the same rut unless we provoke them in this House. Even if we are accused of indulging in petty politics, Mr. Speaker, it is the only means at our disposal to get a reaction from the hon. members opposite who are as mute as a fish on agricultural issues when farmers are absent from this institution.

I shall not waste my time and answer the nonsense of the hon. member for Compton (Mr. Tessier). I shall try to consider the weak answer we were expecting from the minister responsible for agriculture in Canada. I shall not waste my time with such nonnense because the few minutes at our disposal are too valuable.

Mr. Speaker, I must say that if some hon. members thought that Social Creditors do not know anything about dairy matters, I for one, and particularly the hon. member for Lotbinière who introduced the motion today—his riding alone produces 10 per cent of the milk production in

the province of Quebec—know something about the subject.

As concerns the riding of Shefford, it has the largest milk processing industry in the world, the Société coopérative de Granby and I happen to live in that town about 1,500 feet from that industry which is the pride of the province of Quebec.

It seems to me that we have the right to speak and that even if we are in the opposition, we can speak as sensibly as the hon. members opposite, and that if we transpose the problem and say in the House what the farmers think, what they have written to us, what they tell us when we meet them, we shall speak even more to the point.

I am afraid that I do not have much time, but I would like to quote from a letter written by a farmer to the hon. member for Bellechasse (Mr. Lambert) who unfortunately could not be here today, and I am sorry about this since he is our official spokesman on agriculture. But even if he is not in the House or in Ottawa, we have taken our responsibilities because we represent urban as well as rural constituencies.

A while ago the hon. member for Compton (Mr. Tessier) said: Who said that the government has not honoured its commitments?

I would not like to say that it is the Social Crediters or the Conservatives or the New Democrats, but I would like to quote a letter from a worthy farmer who runs a fine operation. He quotes figures which are truly representative of the situation of the dairy industry in Quebec.

Mr. Lambert, Member of Parliament for Bellechasse, Ottawa.

March 18, 1976—

And I am not ashamed to mention his name. This letter could have been written by an economist, and no economist could have stated the problem better than this farmer who lives with farming problems every day in his field, in his barn, on his farm and not in the offices of the Liberal government which hires economists to try and lull the farmers with false problems and say that farming problems are caused by weather conditions, by exports, by everyone except the government, and especially by the farmers, as the Minister of Agriculture suggested earlier.

Dear Member of Parliament:

Further to your request for information about the loss incurred by industrial milk producers I bring my case to your attention. During the first months of year 1975 the Canadian Federation of Industrial Milk Producers made a survey—

—that was done I suppose by the Canadian Federation of Industrial Milk Producers. They cannot be stupid, they represent farmers—

During the first months of the year 1975 the Canadian Federation—

I am sorry, Mr. Speaker, I do not have time to lose to help the hon. member if he is all mixed up—

—the Canadian Federation of Industrial Milk Producers made a survey to determine the cost of production per hundredweight of industrial milk for the period from April 1, 1975 to March 31, 1976.

It was not ten years ago that they made that survey, but April 1, 1975 to April 1, 1976.

That price was set at $11.60 per hundredweight of milk plus escalation every three months. That was the target of all producers.

[Mr. Rondeau.]

If the government does not know where it is going in the area of agriculture, farmers do. What they wanted to get was $11.60 per hundredweight of milk.

At the beginning of the month of April 1975 the Minister of Agriculture of Canada, Mr. Eugene Whelan, announced the new long term national policy; the basic price set at that time was $11.02 per hundredweight of milk. The difference of 58 cents results from the refusal to cover management costs, or 5 per cent. The Minister has stated that the basic price—$11.02—would be escalated on a regular basis during the next five years. So here is a table summing up the situation.

Speaking of a long term policy the minister is right in saying that he already announced it because farmers tell us the minister had promised to escalate that price every five years but he did not keep his promise. I continue reading from the letter:

Breakdown: April 1975—C.F.I.M.P. target price—$11.60 . . .

The Acting Speaker (Mr. Clermont): Order. The Minister of Agriculture rises on a point of order.

● (1730)

[*English*]

Mr. Whelan: Mr. Speaker, I rise on a point of order. Again I hope the hon. member is not trying to mislead the House because this program was indexed every quarter and input costs, etc., were all calculated. We said we had support of $275 million for one million hundredweight of milk. We have not welshed one bit in respect of that program, and have been paying 100 per cent of what we said we would. That index was used and it is being used today.

[*Translation*]

Mr. Rondeau: Mr. Speaker, I don't believe this is a point of order, and anyway I will not reply to it. I would let the farmer speak, he may find his way faster through the indexation than the minister himself. I go on quoting:

C.F.I.M.P. target price—$11.60; export costs: 15c.; anticipated net price: $11.45.

Decreed by C.D.C.: $11.02.—received $10.94; export costs 45c.; anticipated net price: $10.57.

Conversion cost increase at the plant: 8c.—$11.02; export cost: 45c.; anticipated net price: $10.49.

July 1975—Export cost increase:—Base price: $11.02; export costs: 90c., anticipated net price: $10.04.

Export costs are in the order of 90c. per hundredweight of milk. The immediate levy is 65c.; the 35c. differential is covered by a $40 million margin credit by the C.D.C. Producers will have to repay principal and interest before 1980.

It is a loan.

I will now show you the results of the cuts in the estimates, based on certain percentages since September 1st, 1975. The subsidy rate is $2.66 per cwt containing 3.5 per cent of fat or 76 cents a pound of fat. Since the last figures issued by the Dairy Commission, the $2.66 per cwt of milk should become, after figuring out the expeditions at the end of March at $2.26 per cwt, which amounts to a production of 516,342 pounds of milk and a loss of subsidies of $2,065.37, which I did not anticipate in my operation. In addition to that loss, the proceeds from milk do not compensate for the cost of producing that milk.

Here are the figures which were calculated in a survey and not by Social Credit members, not by government economists who are paid to defend the stupidity of the

government. Those are the figures of the Federation on April 1, 1975:

April 1, 1975 Cost for one cwt of milk—$11.60

April 1, 1975 Price given (purchasing power)—$10.04

In 1975-76, there will be a loss for that dairy producer because of that gap, because the minister had promised something else which has not happened. That honest farmer produces more than ½ million pounds of milk a year. He is in fact a real farm producer who has invested high-risk money and who finds himself one day with an income loss of $8,054.93 only for that item.

So, this year I sustain a loss and if I anticipate for next year, after the Dairy Commission's budget and the article of the federal government... I am told that they are not sure yet of the policy; they are not sure of the policy but we know where they are going! It is for that very reason that the hon. member for Lotbinière launched a debate today in order to make the minister more aware, because I do not believe that in the Liberal caucus... That has been proved, he was not too sensitive. The sensitivity was not too evident. I should decrease my production and have a lesser income. That means that my production of 516,342 pounds of milk should decrease by 15 per cent. That is it would decrease to 438,891 pounds of milk, which is a loss of 77,451 pounds. This is a farmer who can calculate, Mr. Speaker. He does not need the mathematicians of the federal government to put his accounts in order, to calculate his losses and income, to know what will happen in 1976 and 1977 which such a production cost. We have nothing to teach that farmer. This farmer could teach lessons to the federal government administration and to the government facing us, he could teach them how to administer a country as intelligently as he administers his own farm and with data as clear and as precise. The implications of the new dairy policy—

The Acting Speaker (Mr. Clermont): Order, please. The Minister of Agriculture on a point of order.

[*English*]

Mr. Whelan: Yes, it is, Mr. Speaker, because this Minister of Agriculture is a farmer and he does understand the dairy industry. He has not welshed on one thing he has said he would do.

[*Translation*]

Mr. Rondeau: Mr. Speaker, if the hon. Minister—

The Acting Speaker (Mr. Clermont): Order, the hon. member for Grenville-Carleton (Mr. Baker) on a point of order.

[*English*]

Mr. Baker (Grenville-Carleton): On the point of order, Mr. Speaker, I realize that the minister by speaking has lost his right to speak again, but I think it is most improper for him to try to pitch-fork a second speech in by way of a point of order.

[*Translation*]

The Acting Speaker (Mr. Clermont): Order, please. The hon. member for Shefford (Mr. Rondeau).

Mr. Rondeau: Mr. Speaker, I regret to say that the frequent interventions from the Minister of Agriculture are evidence that his statement was weak. Now, he wants to interrupt me for the purpose of using up my time and preventing me from coming to the conclusion that this farmer has something to say about this dairy policy.

● (1740)

I would ask the Minister of Agriculture (Mr. Whelan) to let me finish reading this very important document so that we may see what has become of our dairy farmers, who were prosperous, intelligent and good managers, as a result of his dairy policy. Mr. Speaker, I have now reached this paragraph.

I shall now deal with the consequences of the new dairy policy for 1976-77. I ask the minister to be patient and hear me out.

The consequences of the new dairy policy for 1976-77. Production costs on April 1, 1976, per hundredweight of milk, $12.02; basic price April 1, 1976, per hundredweight of milk, $10.94; promised indexation, he has not forgotten anything, 40 cents, total, $11.34; export charges, $1.00 per hundredweight—this is what the Liberals recommend in the brief that we were lucky enough to get hold of—$1.00 net, $10.34; increase in processing costs, 8 cents, net price after deductions, $10.26; increase in farm production costs—the farmers are affected as well by the cost of inflation and their production costs are rising—35 cents., which leaves us with another net price of $9.91; reduction of the subsidy from $2.66 to $2.34, 32 cents, which leaves us with another price of $9.59. Loss of net income for return on labour for processing 77,451 lbs of milk, at the cost of $6.00 per hundredweight, total, $4,647. The difference between the production costs of $12.02 and the net farm price of $9.59, or a loss of profit of $2.43 per hundredweight, or for the full year, a loss of $2.43 for 438,891 lbs. of milk, the remaining quota for 1976, that is a loss of $10,665.

The total loss so far, if the minister cares to listen and to wait until I have finished, is $15,312. In addition to those $15,312, we have to take into account a reduced purchasing power. This farmer does not need to be acquainted with serious economic theories to know that his purchasing power is getting weaker and weaker. His purchasing power is also weaker as regards the total levies at the plant; transportation, 38 cents for 438,829 lbs. of milk, total: $1,667. Advertising for the joint program: 5 cents for 438,-829 lbs., $219,41. As for his export charges, there is probably a 35 cents difference on 438,829 lbs., that is a loss of $1,535. According to the projections for April 5, 1976 to April 1, 1977, the total loss of his purchasing power is $3,421.

I hope this information will help you to succeed in the task with which we entrusted you and I remain yours truly, Emilien Lacasse, overwhelmed, Honfleur, County of Bellechasse.

If the Minister wants to write to him, he may.

Mr. Fortin: That guy is calling for help.

Mr. Rondeau: Mr. Speaker, when we are told: Who said that the government did not keep its commitment? It is simple enough, there is no need to argue very long. In proof of this, the farmers have come here. If the promise made last year to the farmers had been kept they would not have

to come here again this year through snow and ice to try to refresh the Minister's mind, who says he did not keep his promise or respect the undertakings he made last year. The best proof that the government did not respect its commitments, is that the farmers are here today. They march this way every year, and I am tired of that, Mr. Speaker. This is the social group which still works the hardest at the present time, which has always worked the hardest and which has to beg most to get its small share. Yet, no one seems to pay attention to them, because we are told that farmers are not that important anymore in our society nowadays since there are few of them, and their number is decreasing.

I am amazed, Mr. Speaker. I was recently making this comment to farmers: the more we vote Liberal, the more we are in the red; the more we vote Liberal, the deeper we are in debts, the more we vote Liberal, the greater is our deficit. What do the farmers want?

Mr. Fortin: The more we are Liberal, the poorer we get!

Mr. Rondeau: The more we are Liberal, the poorer we get indeed. What do farmers want, in short? They are at present suggesting that in order to stabilize the whole dairy industry in 1976-77, all that is needed in the matter of investments by the federal government for the coming year, is an amount of $40 to $50 million. Concerning those $40 or $50 million, Mr. Speaker, there is no need to make such a big fuss nor to make a very long speech. The hon. member for Compton (Mr. Tessier) could not understand that—

The Acting Speaker (Mr. Clermont): Order, please. The time allotted to the hon. member for Shefford (Mr. Rondeau) has now expired. He may only proceed with the unanimous consent of the House.

Some hon. Members: No.

The Acting Speaker (Mr. Clermont): Order. The hon. member started to speak at five twenty-four, and I have already given him more than one minute extra.

Mr. Rondeau: I thank you for that—

The Acting Speaker (Mr. Clermont): Order. I asked unanimous consent of the House; it was not granted. The hon. member for Yorkton-Melville (Mr. Nystrom).

[*English*]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I want to say first of all that I shall be brief because my colleague from Battle River (Mr. Malone) wishes to say a few words. I will endeavour to divide the remaining time between the two of us. I wish to congratulate the hon. member for Lotbinière (Mr. Fortin) for introducing this motion. I believe it is very important. I cannot help but comment at this time that I am sure all of us have noticed in our gallery today we have many dairy farmers who have remained here late on Friday afternoon to listen to this debate. I think this is unprecedented. It shows the importance of this debate in the House.

Some hon. Members: Hear, hear!

Mr. Nystrom: It also shows that they are very concerned about this issue.

[*Translation*]

Unfortunately, Mr. Speaker, I come from Saskatchewan and I have been speaking French for only a very short time—

[*English*]

I beg the tolerance of those people in the gallery from Quebec in respect of my speaking in English in this debate. I want to make clear on behalf of our party that we support vigorously the principle of orderly marketing. We believe farmers must have orderly marketing if they are to plan their production and have a guaranteed income. They must have this if they are to plan for their livelihood and the livelihood of their families.

Our party believes in a system of supply management. We also know that when we have supply management, such as we are moving into in respect of some products in this country, there are bound to be problems which all of us will have to face, not just the federal government but the producers and the various provinces. When we look at a system of supply management that is giving the farmers hopefully a higher income we must also look at the cost of that product to some of the lower income Canadians.

Earlier in the debate today my colleague from Timiskaming mentioned the possibility of a school milk program and the supplementation of the cost of milk or of the price of milk to the consumers at the lower retail end. I think that is something we as a nation should examine. It makes me quite ill to go into schools and see coke and pop machiners, but very little milk being consumed by the students. I think that is something the government should look at seriously in terms of the new endeavour. I know it cannot all be done by the federal government. I thought I made that point clear on many occasions in this House.

We have an over-production of milk in this country this year, a real over-production of skim milk powder. Some of that now is being sold by the Canadian Dairy Commission at a price as low as 14 cents a pound in Europe. I want to suggest I do not think the subsidy for that should be coming strictly from the dairy farmers of this country. The CDC pays 54 cents a pound for that milk. Some of it will be sold for 14 cents a pound. I think when there is a problem of over-supply which is not the fault of the farmers, and the produce has to be sold for a lower price, the farmers should not have to bear the entire cost of that bill. The larger part of it should come from the people of Canada collectively. The government should buy the surplus milk and sell it itself for 14 cents a pound rather than have it done by the Canadian Dairy Commission. I think that would be a much more equitable way to approach a problem like this.

I also want to say that as a country we should look at the entire world situation. It irks me, and I am sure it irks most Canadians to see an overproduction of food in this country and to see simultaneously millions of people going hungry every night in this world, and many more people starving today than five or ten years ago. We have overproduction of food in a certain area and cannot get rid of that food. I know there are reasons why food cannot find its own way to hungry bodies and hungry bellies, but I am

sure we can work out a delivery system not just in this area but indeed in many other areas.

I think the government should have as a principle and policy the maximization of food. The food in this country we cannot use must be channeled into a world food program for those people who need it. If we do not start doing some of those things, we will have in a few years, certainly within my lifetime, a very real food crisis in this world when thousands and thousands of people will be dying like flies because of the shortage of food. Much of that could be prevented because we have the land and all we need is a proper land use policy. We also have the technology and the wealth. It is a matter of nations sitting down and devising the proper type of world food policy.

● (1750)

We only have to look at some of the statistics in our country to know that we have a food crisis of sorts in Canada. I have the report of the Food Prices Review Board of February, 1975. I find in it, for example, that many Canadians are suffering from lack of proper nutrition. I will use the example of a calcium deficiency in the population. On page 8 of the report it is stated that approximately 70 per cent, perhaps 72 per cent, of people over the age of 65 in Canada suffer from a calcium deficiency. Of males between the ages of 10 and 19, young people in public schools and high schools, 55 per cent are suffering from calcium deficiency, and of females between the ages of 10 and 19 some 57 per cent are suffering from a calcium deficiency.

These statistics are available, and are only the tip of the iceberg. I think it is incumbent upon the Department of National Health and Welfare and the Department of Agriculture to look at this problem, to exhibit some leadership with the provinces toward establishing a proper food program in this country, not just for school children but indeed for all Canadians. One way of starting that would be to reinstate the 5 cent per quart consumer subsidy for milk because there is a correlation between the price of milk and consumer demand. That subsidy should be reinstated and the price of milk lowered in the country, and then I am sure that most of the milk would be sold and Canadians would be healthy. Mr. Speaker, I notice the clock. I would like to go on but I will stop now out of courtesy to my friend, the hon. member for Battle River.

Mr. Arnold Malone (Battle River): Mr. Speaker, one of the things that will be obvious is that far more problems will be left at the end of the time allotted to us than we have had time to deal with today.

I should like to thank the hon. member for Lotbinière (Mr. Fortin) for bringing forward the motion, and the hon. member for Yorkton-Melville (Mr. Nystrom) for relinquishing some of his time to me.

It has often been said that the Minister of Agriculture (Mr. Whelan) is a great guy, and you could recognize that most often in the speeches delivered by him. As might be pointed out by the President of the Privy Council (Mr. Sharp), there is nothing illegal about that. But I would like to say to the minister that I hope this day he will pay enough attention to a problem on which I want to comment relating to the dairy industry, which affects my area in the province of Alberta quite significantly. Perhaps some of his department officials could pay special attention to it. It relates to how the dairy industry associates with the beef industry.

In the western provinces at present beef prices are severely depressed. One farmer told me recently he had the good fortune to have had his herd suffer from a disease as a result of which his animals died, and therefore he failed to incur the $20 a head loss which he would have had normally for raising them. The problem has to do with animal feed replacer products which have become so expensive that in many parts in the western provinces today young calves are simply being killed so that farmers do not incur the expense of feeding them high cost feeds. On the one hand the situation is that the milk replacers for animal food supplements have become so expensive that lifestock is being killed, while on the other hand the Minister of Agriculture—

Mr. Whelan: Mr. Speaker—

Mr. Malone: Just a second, I hope the minister is not trying to intervene.

[*Translation*]

The Acting Speaker (Mr. Clermont): Order. The Minister of Agriculture on a point of order.

[*English*]

Mr. Whelan: Mr. Speaker, I think this is a very important point because again we are being misinformed. Anybody feeding calves today on calf replacers is making money feeding calves.

The Acting Speaker (Mr. Clermont): Sorry, Mr. Minister. The hon. member for Battle River (Mr. Malone).

Mr. Knowles (Winnipeg North Centre): This is not a point of order, Mr. Speaker.

Mr. Malone: Thank you, Mr. Speaker. Maybe that will warm us up a little. We know the minister is putting food into foreign markets at 14 cents a pound. The fact is that bringing it in from eastern Canada to western Canada is simply not viable at present. If the minister checked the record he would know he is doing a disservice to the western provinces by failing to take milk products from the east to the west where there is definitely a market for them.

The second thing that I would like to put on the record for the Minister of Agriculture is that he has failed to recognize the law in terms of the import of milk products into this country because, as we have pointed out to him, it has been illegal for some time to bring the dry milk product from the U.S. into Canada when it has milk content of over 40 per cent. That has been ignored for over a year, and it is causing serious concern among those who are producing animal food supplements.

I think the minister might well pay more attention to the fact that there is a large market in this country for surplus whey, and for surplus dried milk products, a fact which is not being considered or investigated by the Minister of Agriculture. I think it is high time he recognized that what he is doing is in effect forcing the price of animal food

supplements up so high that they are no longer competitive in Canada. The minister has shown in his intervention not his lack of knowledge of agriculture but his disregard for much of the western community. I think he should recognize that there is a market in this country for eastern surplus products to go into the production of animal food surpluses in the western provinces. The minister should recognize that and show some concern.

I should like to read a couple of paragraphs from a letter which I received recently from a manufacturer of animal food supplements. He writes:

> We have recently had difficulty in obtaining the kind of whey powder we require. In desperation, we approached the Department of Industry, Trade and Commerce to try to obtain an import permit for a specified tonnage.
>
> Needless to say, we were turned down.
>
> If we had been able to import this product, it would have meant a considerable saving to us. There are mountains of surplus of dried whey in the U.S.A.

The fact is the government either has to take a position and allow it to come in from one area, or allow it to come in from eastern Canada. It should not stifle the industry which is looking after the market for animal food stuffs. According to the Toronto *Globe and Mail*, the Canadian Dairy Commission is buying milk powder from Canadian producers for 64 cents a pound and then offering it to the communist countries in eastern Europe for less than 14 cents a pound. Those areas of the country where producers are trying to get the older surplus products off the shelf to use for the making of animal food supplements are being denied that by the Department of Agriculture.

[*Translation*]

The Acting Speaker (Mr. Clermont): Order. It being past five o'clock, it is my duty to inform the House that, pursuant to Standing Order 48(11), proceedings on the motion have now expired. The House stands adjourned until Monday at two p.m., pursuant to Standing Order 2(1).

At 6 p.m., the House adjourned, without question put, pursuant to Standing Order.

APPENDIX

DAIRY PROGRAM PROVINCIAL ADMINISTRATION

BRITISH COLUMBIA—GRADUATED ENTRY PROGRAM

An industrial milk producer qualifies for graduated entry into the fluid milk market if he has:

1) been in production for one year,

2) been producing Grade "A" milk,

3) a bulk tank,

4) made application in January (of every year),

then fluid quota allocated will be:

5) equal to 100% of average daily production during the quota building period.

the fluid milk price in February 1976 was $13.57 per hundredweight and;

the industrial milk price ranged from $8.10 to $8.90 per hundredweight.

ALBERTA—GRADUATED ENTRY PROGRAM

An industrial milk producer qualifies for graduated entry into the fluid milk market if he has:

1) been in production 12 months preceeding September 1 of year of application during which dairy production averaged 500 pounds per day,

2) been producing Grade "A" milk,

3) a bulk tank,

4) made application by September 1 (of every year),

then fluid quota allocated will be:

5) equal daily production during quota building period up to 800 pounds.

6) Presently fluid quotas are set at 115% of preceeding years fluid sales. If required to accommodate graduated entrants, fluid quotas will be raised to:

—120% of 1974 sales on January 1/75;

—125% of 1975 sales on January 1/76;

—130% of 1976 sales on January 1/77.

In addition, fluid quotas created from production cuts and sales increase over and above the amount earned by existing quota holders will be made available to graduated entrants.

the fluid milk price in February 1976 was $12.21 per hundredweight and;

the industrial milk price was $8.00 per hundredweight.

SASKATCHEWAN—GRADUATED ENTRY PROGRAM

An industrial milk producer qualifies for graduated entry into the fluid milk market if he has:

1) been in production one year prior to application,

2) been producing Grade "A" milk,

3) a bulk tank,

4) made application on or before July 1 of every year,

then fluid quota allocated will be:

5) equal to 100% of daily production during 5 lowest months of production during qualifying period, up to a maximum of 1,000 pounds per day.

6) Limit on entry into the fluid market to the extent that total fluid quota for province shall not exceed 120% of fluid sales in year 1; 125% of fluid sales in year 2; 130% of fluid sales in year 3. Also, fluid quota shall not exceed 140% of fluid sales in any milk shed.

the fluid milk price in February 1976 was $11.07 per hundredweight and;

the industrial milk price was $8.56 per hundredweight.

MANITOBA—GRADUATED ENTRY PROGRAM

An industrial milk producer qualifies for graduated entry into the fluid milk market if he has:

1) been producing Grade "A" milk,

2) a bulk tank,

3) made application.

Since the quota system in Manitoba has been suspended, the percentage of total sales at fluid milk prices each month determines the percentage of producers' shipments to be paid at fluid milk prices.

the fluid milk price in February 1976 was $12.20 per hundredweight and;

the industrial milk prices ranged from $8.21 to $9.06 per hundredweight.

ONTARIO—GRADUATED ENTRY PROGRAM

An industrial milk producer qualifies for graduated entry into the fluid milk market if he has:

PROGRAM A

1) been producing milk or cream since July 1, 1968,

2) farm premises and milk meeting provincial standards,

3) a bulk tank,

4) made application prior to May 15 of every year,

then fluid quota allocated will be:

the greater of:

a) 89% of 9 months of 1965/66 excluding peak period;

b) 1973/74 production maximum of 400 pounds per day;

c) 1973/74 production if below 400 pounds per day;

d) the free quota allotment is allocated over five years.

PROGRAM B

1) marketed milk or cream in Ontario for at least the two consecutive and complete dairy years prior to date of entry; marketed at least 400 pounds per day in the 12 months ending March 31,

2) farm premises and milk meeting provincial standards,

3) a bulk tank,

4) application made prior to May 15 of every year,

then fluid quota allocated will be:

5) 400 pounds per day over five years.

the fluid milk prices in February 1976 was $12.01 per hundredweight and,

the industrial milk prices ranged from $8.21 to $8.85 per hundredweight.

QUEBEC—GRADUATED ENTRY PROGRAM

An industrial milk producer qualifies for graduated entry into the fluid milk market if he has:

1) been in production two years prior to application

2) farm premises and milk meeting provincial standards,

3) a bulk tank,

then fluid quota allotted will be:

4) a fluid quota equal to 60% of the Market Share Quota held prior to the date of application but,

not more than the average fluid milk quota held by all producers in the province on April 1 of the year of application

5) the annual limit of quota that can be allocated to the graduated entry program is equal to 5% of the fluid sales in the proceeding year; there are other provisions which limit the program.

the fluid milk price in February 1976 was $12.30 per hundredweight and;

the industrial milk prices ranged from $8.13 to $8.20 per hundredweight.

NEW BRUNSWICK—GRADUATED ENTRY PROGRAM

An industrial milk producer qualifies for graduated entry into the fluid milk market if he has:

1) been in production for two complete and consecutive dairy years prior to application,

2) farm and milk meeting provincial standards,

3) a bulk tank,

then fluid quota allocated will be:

4) equal to average daily production in the dairy year prior to entry.

the fluid milk prices in February 1976 was $12.86 per hundredweight and;

the industrial milk prices ranged from $6.71 to $8.61 per hundredweight.

NOVA SCOTIA—GRADUATED ENTRY PROGRAM

An industrial milk producer qualifies for graduated entry into the fluid milk market if he has:

1) farm premises meeting provincial standards,

2) a bulk tank,

3) been production for two complete and consecutive years prior to date of entry,

then fluid milk quota allocated will be:

4) equal to 300 pounds per day,

5) OR, 50% of the producers average production during the two qualifying years, whichever is the greater.

the fluid milk price in February 1976 was $13.08 per hundredweight and;

the industrial milk price was $8.61 per hundredweight.

PRINCE EDWARD ISLAND—GRADUATED ENTRY PROGRAM

An industrial milk producer qualifies for graduated entry into the fluid milk market if he has:

1) produced milk or cream at least two years prior to application,

2) been producing and been licensed to produce Class I or fluid milk,

3) a bulk tank,

4) made application,

then fluid milk quota allocated will be:

5) based on 80% of the average daily production during the 24 months preceding the date of entry to a maximum of 1,000 pounds per day.

the fluid milk price in February 1976 was $11.57 per hundredweight and;

the industrial milk price was $7.80 per hundredweight.

HOUSE OF COMMONS

Monday, March 22, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

THE CANADIAN ECONOMY

POSSIBILITY OF ESTABLISHING PUBLIC WORKS PROGRAM TO ALLEVIATE UNEMPLOYMENT IN QUEBEC—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to move a motion dealing with an important matter of pressing necessity.

Since the anti-inflation measures advocated by the government have contributed to increase the number of unemployed in Quebec and since conditions are worsening, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House urge the government to review immediately its anti-inflation policy and launch an extensive public works program in co-operation with provinces and municipalities to control the rise of unemployment in Canada and in Quebec.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

* * *

ENERGY

SUGGESTED STUDY OF THE POSSIBLE USE OF WIND AS SOURCE OF ENERGY—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to move a motion on an important matter of pressing necessity.

Since the search for traditional oil resources has declined more rapidly than the National Energy Board had anticipated; since in 1976, wind power appears again as a replacement solution, especially for a country such as ours where the winter season limits solar energy potentialities; considering also that the wind power potential of wind, this phenomenon caused by changes in density, pressure and temperature of the atmosphere, is colossal; I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House request the government to effect as soon as possible a complete inventory of the wind resources in Canada and establish the true potential of wind power since the age of cheap petroleum is ended and that of petroleum is nearing its end.

Mr. Speaker: Order. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

● (1410)

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

POSSIBILITY CANADIAN LABOUR CONGRESS REQUESTED BILATERAL DISCUSSIONS ON MEASURES TO CONTROL INFLATION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is to the Minister of Labour. During this morning's meeting with the cabinet, Mr. Morris made an extremely strong protest that the so-called consensus talks which took place over many months were bilateral only and that labour never had a chance to enter into discussions with other sectors of the economy and government together. In view of Mr. Morris' statement this morning that you will never get agreement until all the players are in the ball park, can the minister advise whether throughout the series of meetings between government and labour up to the announcement of controls the Canadian Labour Congress requested, directly or indirectly, multilateral discussions on steps to control inflation? If so, why were such multilateral meetings not arranged by the government?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I do not recall the CLC, at any time during the consensus discussions, requesting multilateral discussions. I might say that aside from the discussions to do with inflation, the Canadian Labour Relations Council, by its very nature, has all the players in the ball park; the employers, the unions and government have been meeting on an ongoing basis to devise ways of improving the present collective bargaining system.

Mr. Fraser: A supplementary question, Mr. Speaker. I understand that the Canadian Labour Relations Council was not used with respect to the anti-inflation program. In view of the Prime Minister's remarks this morning to the effect that he desires the co-operation of labour in preparing for the situation at the completion of the control program, and in view of the Minister of Labour's hope that labour will co-operate by continuing membership in certain boards, such as the manpower consultative committee, the UIC advisory council, the Economic Council of Canada and the Canada Labour Relations Council, can the minister tell this House whether the government, in order to secure what we all realize to be the necessary co-operation of labour, is now prepared to discuss with the CLC some process for multilateral discussions outside of the Canadian Labour Relations Council to ensure better understanding and co-operation among all sectors of the economy, especially with regard to the culmination or completion of the anti-inflation control program?

Mr. Munro (Hamilton East): Mr. Speaker, I believe that the Prime Minister indicated this morning at the meeting with the CLC that that suggestion on Mr. Morris' part would be well worth exploring.

* * *

LABOUR CONDITIONS

ROLE OF COLLECTIVE BARGAINING IN PROPOSED NEW SOCIETY

Mr. John A. Fraser (Vancouver South): Mr. Speaker, a final supplementary question for the Minister of Labour. The Prime Minister said this morning that the government would want to discuss with the CLC what kind of economy and society we will need for the future. Does this indicate that the government plans significant changes in the process of free collective bargaining after the control period is ended and, if so, in order to have meaningful discussions when will the government put precise proposals to labour and to parliament for discussion? I am not referring to the same discussions that have taken place in the Canada Labour Relations Committee but to any new ideas with respect to the role of free collective bargaining in this new society that the right hon. Prime Minister spoke of this morning.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, with regard to the discussions that go on in the Canada Labour Relations Council, that is precisely where changes and improvements in the whole collective bargaining system might very well be agreed upon which would help us in terms of the type of society that we have after the control period is over. That is where these discussions are in fact taking place.

SUGGESTED WITHDRAWAL OF LABOUR REPRESENTATION FROM GOVERNMENT BODIES

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a supplementary question for the Minister of Labour. Since the Canadian Labour Congress is considering withdrawing from the Canadian Labour Relations Council and other bodies, and in light of the statement by Mr. Morris this morning that the CLC is prepared to discuss with the government policies for the decontrol period, has the minister received any significant indication that the CLC will leave these bodies, and in any event is the minister going to speak directly to the executive of the CLC about this situation?

[Mr. Munro (Hamilton East).]

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker, it has been made public and is well known that the CLC has been considering withdrawing from some of these bodies. They have not been too explicit on precisely which bodies they will consider withdrawing from and have taken no action yet. I believe they will be meeting tomorrow and the next day on this particular question. It is my hope, and I believe the hope of the government, that the CLC will not withdraw, on the basis that it would not be in the interests of the labour movement, its membership or the Canadian people generally.

* * *

ANTI-INFLATION PROGRAM

POSSIBILITY OF SHORTENING CONTROL PERIOD

Mr. Gordon Ritchie (Dauphin): I have a supplementary question, Mr. Speaker. Is the input of the Minister of Labour as to the time when the decontrol will start still firmly and absolutely aimed at the 3-year period provided in the legislation or could the time be shorter, in view of the situation in which the CLC and the Canadian Economic Policy Committee of the C.D. Howe Institute have suggested that wage and price controls should be terminated in as short a time as possible, possibly within 18 months?

Hon. John C. Munro (Minister of Labour): There has been no indication, Mr. Speaker, on the part of the government, certainly in any way to the labour movement that this period will be any shorter than that stipulated in the legislation.

SUGGESTION LABOUR SHARE IN PRODUCTIVITY GAINS—REQUEST FOR INCREASES IN MINIMUM WAGE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. Although the minister knows that companies can have virtually unlimited profits under the government's program if they show that excess profits are due to unusual productivity gains, the restriction on Canadian workers for increases beyond the guidelines have been set at 2 per cent, at least according to our understanding up to this morning anyway, I should like to ask the Minister of Finance whether the Minister of Labour was stating new government policy when he suggested that workers in Canada would be able to share precisely in the same way as corporations in unusual productivity gains?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as I understand it, the Minister of Labour was making that comment in the context of doing away with restrictive labour and other practices.

Mr. Broadbent: Mr. Speaker, that answer makes even less sense than the ones we usually get from the Minister of Finance. Let me ask the Minister of Finance whether Canadian workers, in terms of productivity gains, are restricted to the 2 per cent ceiling, unlike management which has no restriction, or are they not?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, since I was the one who made the point perhaps I would be permitted to answer the hon. member. I will get the precise wording of the regulation for him. If we find there are savings as a result of the unions or the employers doing away with or negotiating away restrictive working practices which result in significant productivity gains, then the workers can share, in those exceptional circumstances, with the employers in those savings, and those savings are not then brought within the guidelines. Also in respect of a piece-work basis, if this results in increased productivity the same would apply under an incentives scheme. I would be pleased to get the precise wording for the hon. member.

Mr. Broadbent: Mr. Speaker, I should like to ask the Minister of Labour or the Minister of Finance, if either can give us a single example of the workers being given the advantage of this regulation in the five months the program has been in existence? Secondly, given the government's reiterated commitment to the poorly paid workers in Canada, I should like to ask why the government does not immediately increase the minimum wage in Canada to at least $3.50 an hour?

Mr. Munro (Hamilton East): To answer the latter part of the hon. member's question first, he may be aware that it was just a short time ago that we raised the minimum wage from $2.65 to $2.90, to be effective April 1. This was a significant percentage increase and only 10 cents an hour lower than the latest position taken by the CLC, being $3. I think the hon. member should be aware of that.

As to whether the Anti-Inflation Board has permitted the exceptional circumstances, in which there might be that type of high productivity as a result of technological change, or the circumstances I have identified, in which workers might share in the savings, I am not aware but I can check.

* * *

[Translation]

THE CANADIAN ECONOMY

POSSIBILITY OF ESTABLISHING PUBLIC WORKS PROGRAM TO ALLEVIATE UNEMPLOYMENT IN QUEBEC

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I want to put a question to the right hon. Prime Minister.

Since the unemployment situation is getting worse, particularly in eastern Quebec, and given the announcement last week that some 400 small slaughterhouses will be closed in Quebec, which will cause further unemployment, could the Prime Minister tell the House whether he will recommend that his government increase the budget of the Department of Public Works, so that funds be allocated especially to the eastern Quebec region, in cooperation with the province and the municipalities?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member knows that the President of the Treasury Board announced two or three months ago that the federal government would seriously try to cut its expenditures, and so we have reduced the rate of growth of the Department of Public Works and of several other departments. We have also put an end to some voluntary assistance programs, like LIP. We have reduced expenditures. However, I take note of the hon. member's words and I will see if, within authorized expenses, there is a way to help the region he refers to.

● (1420)

UNEMPLOYMENT—EFFECT OF COMBINE IN SASH AND WINDOW MANUFACTURING IN EASTERN QUEBEC

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, on a supplementary.

In view of the comforting reply of the Prime Minister, I should like to draw his attention to the fact that currently, in the same area I have just spoken about, steps are also being taken to centralize the manufacture of windows and doors, and a very specialized organization is buying up all the small businesses that are now offering considerable employment in eastern Quebec. Would the Prime Minister also be willing to take that situation into consideration and see to it that we are able to offer the largest possible number of jobs to our local manpower?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I shall gladly point out the problem to the ministers concerned. In addition to the Minister of Public Works, there is also the Minister of Regional Economic Expansion who will certainly make it his duty to look into those problems. I cannot help but remind the Social Credit Party of Canada that it was very severe in condemning the government claiming that it was spending too much. Had they been more understanding in this regard, I might be less astonished to hear them now encourage us to spend more.

Mr. Lambert (Bellechasse): Mr. Speaker, I should like to put one last supplementary.

I do not recall having chided the government for spending logically, for the good of the whole population. In any event, I would like to ask the Prime Minister whether he would be willing to make reforms in the financing of the public sector of the federal administration, enabling the government to accept the performance of public works without affecting the budget further.

Mr. Trudeau: Mr. Speaker, I am willing to look into all reforms, specially those that would allow us to spend more without increasing our budgets. If the hon. member has the key to that one, I would be very eager to hear about it.

[*English*]

ANTI-INFLATION PROGRAM

EFFECT OF PROGRAM ON COLLECTIVE BARGAINING—GOVERNMENT ACTION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration. During the 1974 election he indicated to the people of Canada that controls were not needed and would not work. Be that as it may, in respect of the flip-flop the minister is reported as stating that the guidelines have introduced an element of uncertainty as to the final outcome of bargaining but they are not proving to be the death warrant, a kind of midnight executioner, for collective bargaining. There can be no doubt about the uncertainty. I should like to ask the minister what steps the government will propose or what steps he has recommended to remove this uncertainty from the collective bargaining process, save and except the removal of the controls, which of course is the answer in the long run.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I really do not recall the words the hon. member is attributing to me. I would be quite prepared to have him give me the source so I could check on it, but it is unfamiliar to me.

Mr. Alexander: I am sorry, Mr. Speaker. I am so accustomed to speaking to the Minister of Manpower and Immigration that I made an error. I meant my remarks to be directed to the Minister of Labour. I am sure he heard it, but perhaps he would like me to repeat the question.

Hon. John C. Munro (Minister of Labour): Repeat it, please.

Mr. Alexander: In light of the fact that the minister was so concerned about wage and price controls during the 1974 election when he indicated they would not work and were not needed, then all of a sudden he flip-flopped and now says they will work and are needed, may I refer him to his own statement when he said:

> The guidelines have introduced an element of uncertainty as to the final outcome of bargaining but they are not proving to be the death warrant, a kind of midnight executioner, for collective bargaining.

There is no question about the fact that controls have brought about uncertainty. I wish to ask the minister what steps will be taken by the government or what has the minister recommended to ensure that this uncertainty is removed, keeping in mind that the removal of controls would of course be the ideal answer but that will have to wait for the future?

Mr. Munro (Hamilton East): I believe the hon. member is referring to a speech I gave to the United Steel Workers at Whitehorse on Friday. What I was referring to, if he wants to read the full speech and not just take a paragraph or two which might be out of context, is the fact that when the Anti-Inflation Board injects itself into the process as the law requires, it creates uncertainty so far as the employees are concerned as to what the final award will be, and that is one of the inevitabilities of the legislation in any control system.

[Mr. Trudeau.]

Mr. Alexander: In other words, the minister is stating that it will be a tough year.

* * *

FINANCE

POSSIBILITY OF DISCUSSIONS WITH LABOUR ON BUDGET PROPOSALS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Finance. As I understand it, the Minister of Finance stated today that he looked forward to advice in preparing his budget which is expected within the next two months. In order to keep this multilateral discussion going, would the minister advice the House whether any arrangements have been made to hold extensive talks with labour and other groups on fiscal proposals in that budget and, if so, what are they?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, what I said this morning in response to CLC's comments on economic and fiscal policy was that I disagreed with the trend of their recommendations which would seem to call for a tighter and more restrictive fiscal policy because of the risk of additional unemployment in Canada. I called on them to rethink their approach to the fiscal and monetary policy and reminded them of the fact that I would be presenting a budget within the next two months and that if they along with others had comments they wished to make, they would be most willingly received. I am glad to repeat that here. Of course, I am receiving from various interest groups across the country recommendations with regard to individual tax changes, but I would be glad to hear from the opposition, the CLC and others their views on the fiscal and monetary policy which they think is appropriate.

* * *

AGRICULTURE

EGGS—ALLEGATION IMPORTERS MAKING EXCESSIVE PROFITS

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of Agriculture. In view of the fact the Minister of Agriculture stated in the House on Friday that if he were in Russia he would be given a medal for producing commodities in the very efficient manner in which they are produced here,—

Some hon. Members: Hear, hear!

Mr. Towers: —would the minister immediately stop patting himself on the back and presenting medals to himself and investigate the charges that importers of eggs into Canada are making excess profits at the expense of producers as well as consumers?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, this matter has been under investigation for some time and recommendations have been submitted to me by

the National Farm Products Marketing Council to overcome this.

An hon. Member: Send the minister to the salt mines.

Mr. Towers: In view of the high regard which the Minister of Agriculture has for his ability to produce and his reference to Russia, will he be applying to Mr. Brezhnev for the position vacated by Dmitry Polyansky as Soviet minister of agriculture?

Some hon. Members: Oh, oh!

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EXTERNAL AFFAIRS

ALLEGED CONFUSION AT CANADA HOUSE IN LONDON—CORRECTIVE MEASURES BY GOVERNMENT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Secretary of State for External Affairs. As a press report from London stated in considerable detail that the addition of an extra layer of bureaucracy to the operations of Canada House in London has produced confusion and inefficiency which is baffling to those who are seeking information from Canada House, and they are the ones whom Canada House was originally established to serve, has the minister investigated this matter since I drew it to his attention last week and has he been able to take steps to correct this rather disturbing situation?

● (1430)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the hon. member knows as well as I do that Canada House has performed extremely well and with a very high standard of service. Accordingly, all of us were surprised at this news report. However, I have communicated with the High Commissioner, and I expect that corrective action will be taken very quickly.

Mr. Hees: As this report was very detailed regarding the considerable number of instances in which confusion and inefficiency have grown up in Canada House, is the minister looking into the operation of our embassies around the world to see if what has happened in our most important embassy, London, is happening in other places as well?

Mr. MacEachen: The service performed by our missions abroad, whether they be embassies or high commissions, is constantly under consideration and under constant upgrading and improvement, and I am sure that the complaints which have developed in London will be corrected because of staff reassignments and staff procurements.

Mr. Hees: Let us hope so.

AIR TRANSPORT

SUGGESTED USE OF CANADIAN CHEESE ON ALL DOMESTIC FLIGHTS

Mr. Joe Flynn (Kitchener): Mr. Speaker, I have a question for the Minister of Transport which is further to my question of November 26 last on the subject of the use of imported wines on domestic flights. I should like to ask him if he would also consider the use of Canadian cheese, replacing imported cheeses on all domestic flights. We have many fine products in Canada such as Canadian brick, Gouda, Swiss, Colby, Boursault, Provolone, Canadian Oka, Camembert and the fine Cheddars, to name just a few.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for Winnipeg North.

Mr. Hees: A nice bit of advertising, Joe.

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ANTI-INFLATION PROGRAM

PROPOSAL TO AMEND GUIDELINES TO PERMIT WORKERS TO SHARE IN INCREASED PROFITS FROM SALE OF EXPORTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Finance. In view of the removal of the guideline limits on profits made by corporations from exports as a result of higher prices—such as the one announced today for copper—or greater productivity, and in view of the limits put on wage increases for workers in those industries, will the government consider amending the wage guidelines so that workers in those industries could share fairly the greater profitability of the corporations?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, that would seem to me to be unfair to other workers in Canada who are subject to the guidelines.

Mr. Douglas (Nanaimo-Cowichan-The Islands): What about the other corporations?

MEASURES TO ENSURE CORPORATIONS WILL NOT SELL ALL HIGH QUALITY GOODS IN EXPORT MARKET TO REAP HIGHER PROFITS

Mr. David Orlikow (Winnipeg North): In view of the fact that companies which export part of their production, such as lumber, will be permitted to make larger profits on their export sales than they could make on sales in Canada, what steps, if any, is the government taking to ensure that companies, in order to make these larger profits, will not export their highest quality products which they produce and sell in Canada the second grade, inferior products?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, through the anti-inflation program the returns of exporting corporations will be monitored in relation to their business, both Canadian and export, and through the

operations of other departments of government the quality of physical volumes moving will also be watched.

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TRANSPORT

ALLEGEDLY INADEQUATE SEARCH AND RESCUE OPERATION AT HALIFAX—REQUEST FOR INVESTIGATION

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, I should like to direct a question to the Minister of Transport arising out of the very tragic drowning of two men in the northwest arm of the Halifax Harbour yesterday afternoon, although they hung on to their boat, apparently, long enough to be rescued had there been any adequate, integrated rescue plan in operation in the harbour, and although there were, apparently, appropriate boats ready to do the job had they been notified and called upon to do so. Since this harbour comes under the jurisdiction of a board within the minister's department, I should like to ask why there does not appear to have been an adequate, integrated search and rescue operation available for situations like that.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I should like to thank the hon. member for having given us notice of his question. I certainly share his feelings about the very regrettable nature of the incident. We will be investigating the very question which the hon. member has put to see if indeed there was a deficiency in co-ordination, and whether we can ensure against it in the future.

Mr. Stanfield: Might I ask the minister what sort of investigation he will launch? Will he launch quite an extensive inquiry into what happened rather than simply making informal inquiries himself? Will he launch at least a quasi-formal inquiry as to what actually transpired and with authority to recommend what needs to be done to avoid the danger of a recurrence of this kind in the future?

Mr. Lang: I will take steps to determine the facts, which is necessary, and I will not prejudge what further action is required until I have all the facts. There are a number of agencies involved, and it is a problem of co-ordination. I will be glad to report from time to time about the nature of my inquiries, the conclusions I have arrived at and any action I recommend.

PROPOSED INQUIRY INTO INVOLVEMENT OF HALIFAX SEARCH AND RESCUE CENTRE IN LOSS OF "SAN JUAN"—DATE OF DECISION

Mr. James A. McGrath (St. John's East): Mr. Speaker, my supplementary question is to the same minister. A short time ago he advised the House that he was considering the facts surrounding the loss of the fishing boat *San Juan* and the response of the Canadian coastguard at the Halifax Search and Rescue Centre in that particular tragedy in which two fishermen were lost. He gave an undertaking that he would take under advisement the possibility of holding a public or judicial inquiry into this tragedy. Has he reached a decision on that yet?

[Mr. Macdonald (Rosedale).]

Hon. Otto E. Lang (Minister of Transport): Not yet, Mr. Speaker.

DATE OF REPORT OF TASK FORCE REVIEW OF SEARCH AND RESCUE OPERATIONS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a supplementary for the same minister. In view of the fact that there are lifeboat bases strategically located in Nova Scotia and Newfoundland which supposedly look after such rescues, and in view of the fact that it has been indicated that the lifeboats which are provided in these bases cannot even cut through two inches of ice, I wonder if the minister has received the task force report on the review of rescue policy and when we will get the results of that investigation. What action is the minister taking to investigate the lack of capability of these lifeboat bases?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, work on the question of co-ordination of our whole rescue effort is still under way, and I do not have at this point a final report.

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NATIONAL DEFENCE

LOCKHEED CONTRACT—DATE MINISTER AWARE OF MISUNDERSTANDING ABOUT FINANCING

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence. The minister recently denied saying that Lockheed had misled his negotiators, but rather that there had been a misunderstanding with regard to financing. Could the minister advise the House just when he became aware of that misunderstanding?

Hon. James Richardson (Minister of National Defence): Yes, Mr. Speaker. I would say it was when we reached the final stage of the contract, which was being negotiated by my colleague in the Department of Supply and Services. It became clear at that time that Lockheed was not going to be able to provide the financing, as we had understood it would be able to do.

Mr. McKinnon: When I asked the minister to be specific about the time, I should have liked to have had it in days, months or years, not in a nebulous framework that this House has never been advised of, for example, the way the negotiations were going. Would the minister please tell us the date he became aware of the misunderstanding?

Mr. Richardson: From memory, the cabinet decision to purchase the Lockheed long range patrol aircraft was in late November, and I made an announcement to that effect in the House. It would have been during the month of December, 1975 and early January that the final negotiations of the contract were taking place.

LOCKHEED CONTRACT—POSSIBILITY OF OBTAINING INFORMATION FROM UNITED STATES ON PAY-OFFS

Mr. Allan B. McKinnon (Victoria): The minister answered the question quite satisfactorily. Further on this subject, the *Wall Street Journal* of March 8 in a front page story said that:

● (1440)

Data on overseas payoffs by U.S. companies will be shared with foreign governments through the Justice Department, the State Department said.

Has the Canadian government availed itself of this opportunity to obtain information from that relatively open government concerning Lockheed payoffs?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the answer to that is no. I think that we have satisfied ourselves directly in conversations that the Lockheed Company, as I have explained before, made no payments or commissions to any Canadian. We have not concerned ourselves directly with their practices in other countries.

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ENERGY

INCREASED COST OF ELECTRICITY AND HEATING OIL IN ATLANTIC PROVINCES—GOVERNMENT ACTION

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. Because some people are losing their homes in Nova Scotia and Prince Edward Island as a result of the rocketing of electric and oil generated heating costs and hundreds of thousands of others in those two provinces are in very difficult circumstances for the same reason, will the minister be presenting new initiatives to the next federal-provincial conference which deals with energy matters and if so, what sort of initiatives?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, at the last energy ministers' conference it was agreed that this particular item would be put on the agenda of a committee called IPACE, the Interprovincial Advisory Committee on Energy. The purpose of this committee is to consider a number of proposals including a proposal that the representative of the province of Nova Scotia put forward at the energy ministers' conference.

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POST OFFICE

DATE OF IMPLEMENTATION OF LETTER CARRIER SERVICE FOR DALHOUSIE, NEW BRUNSWICK

Mr. Maurice Harquail (Restigouche): Mr. Speaker, my question is for the Postmaster General. In view of the plight of the 8,000 people in the town of Dalhousie regarding modern postal delivery service, I wonder if the minister could inform the House when this recommended letter carrier delivery service can be implemented?

Hon. Bryce Mackasey (Postmaster General): Well, Mr. Speaker, the criteria for the introduction of new door to door letter service was improved upon, and made more difficult to be precise, last October when the government felt it should practice more restraint, particularly in the employment of postal workers. In view of the hon. gentleman's representation, however, I shall ask for a review of the number of people affected by the lack of service to see if it meets the new criteria.

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EXTERNAL AFFAIRS

PROTEST OF MR. BIBERSHTEIN AGAINST REFUSAL OF RUSSIA TO ALLOW HIS WIFE AND DAUGHTER TO JOIN HIM—GOVERNMENT ACTION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, a question for the Secretary of State for External Affairs. On March 2, I asked the minister whether he would be willing to intercede if he received a request from Mr. Boris Bibershtein of Toronto who was undergoing a hunger strike to protest the refusal of the Russian government to allow his wife and eight year old daughter to join him in Canada. In light of the fact that the minister replied he would be prepared to assist if he received such a request and the fact that Mr. Bibershtein wrote him the next day to, in his words, "beg for his help" may I ask the minister whether his department has contacted the Russian authorities to indicate this government's interest in the case and if not, why not?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, we did receive a request and my officials have been in touch with the gentleman himself on this case. We are now considering what steps we can take to assist constructively. There is no question but that we will lend our services in the hope that we may be able to secure the admission to Canada of his wife and child.

Mr. Beatty: A supplementary question, Mr. Speaker. In light of the fact that it is some 19 days since Mr. Bibershtein wrote to the Secretary of State for External Affairs to request his assistance in this very urgent case, why has the government taken so long to make a decision to even contact the Soviet authorities to indicate this government's interest in reuniting this family?

Mr. MacEachen: Mr. Speaker, we have not held off making any such decision.

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ENERGY

PROPOSED ENRICHED URANIUM PLANT IN JAMES BAY AREA—AVAILABILITY OF QUEBEC PREFEASIBILITY STUDY

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. It is based on the fact that following the 1975 CANADIF study into an enriched uranium plant in the James Bay area, both the province of Quebec and the

federal government expressed interest in carrying out further studies on this project. In view of the report that the prefeasibility study by the province of Quebec has now been completed, will the minister indicate whether this study has been made available to the federal government because of the mutual interest in this case? If not, what plans does the minister have to obtain a copy of the report?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, to my knowledge it has not been made available to us yet. I would expect it might be made available to us very shortly, perhaps when we have completed our own parallel study.

Miss MacDonald: A supplementary question, Mr. Speaker. Would the minister undertake to table both of those documents in the House of Commons when they are available for the study and the information of members of the House?

Mr. Gillespie: Mr. Speaker, I would want to consider the position of the province of Quebec before agreeing to that.

Mr. Clark: Why?

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EXTERNAL AFFAIRS

REQUEST FOR REPORT ON SITUATION IN CAMBODIA

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, a question for the Secretary of State for External Affairs. In the light of reports from Thailand to the effect that one of history's worst and cruelest tragedies has occurred in Cambodia over the last 11 months, have the minister and his department taken steps to acquaint themselves with the situation and can the minister make a brief report to the House?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the President of the Privy Council, who took this question on Friday I believe, has already communicated the information requested to the hon. member. I shall look at it myself and if I can add anything further I shall be glad to do so.

INCARCERATION OF RICHARD ALLIN IN UNITED STATES—REQUEST FOR GOVERNMENT ACTION TO SECURE RELEASE

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is for the Secretary of State for External Affairs and he has notice of the question. In view of the fact that one of my constituents, Mr. Richard Allin of New Denver, British Columbia, a Canadian citizen, is presently in jail in Houston, Texas on a charge of draft evasion as a result of attending university in the United States and refusing to enlist in the United States army, and in view of the fact that information pertaining to his arrest has been more readily available from the United States Embassy than from the minister's department, will the minister assure the House that his department will now take active and positive steps to assist this man to be released and returned to Canada?

[Miss MacDonald.]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I heard about this particular case just before coming into the House. I understand that the gentleman in question has been released from prison and has consulted a lawyer. I shall follow it up, however.

Some hon. Members: Hear, hear!

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ANTI-INFLATION BOARD

DELAY IN PROCESSING APPLICATIONS FOR WAGE INCREASES—GOVERNMENT ACTION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I have a question for the Minister of Finance. In view of the fact that less than 10 per cent of wage agreements so far submitted to the Anti-Inflation Board have been ruled on, most of them beyond the promised 30 day waiting period, and in view of the fact that even in cases where decisions have been made, such as the Sudbury Board of Education and its 600 teachers who have been waiting for months for a decision, also in view of the fact that the staff of the board's compensation branch has expressed complete frustration with the board's lack of direction, can the minister inform the House and the thousands of workers who have been waiting for months for their wage increases what steps will be taken to speed up the work of the board? Also, how soon can we expect this backlog of applications to be cleared?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the largest number of applications, as I understand it, are in the non-organized sector of the work force rather than on behalf of organized labour groups. This is a condition which has come about principally because of the filing requirement as of the end of February that employers must make under profit guidelines in particular, inquiries by employers who wish to confirm the appropriateness of the compensation settlements they have made with their own unorganized employees as part of the over-all profit control program. In that sense the board, as the chairman indicated last week, cannot give any specific timing in which all these cases will be cleared. The board is working hard to do so and hopes it may overcome this particular bulge in applications which has occurred for the reasons I have stated.

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ANTI-INFLATION PROGRAM

SUGGESTED CONTROL OF HOUSING AND ENERGY COSTS, MORTGAGE INTEREST RATES—GOVERNMENT POSITION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, a supplementary question for the Prime Minister. In view of the fact that daily it is becoming more apparent that for the anti-inflation program to work as the government has outlined would necessitate a massive bureaucracy, is the government now prepared in the light of the slowness of the program and its outright rejection by the working people of Canada, to abandon this program and instead

adopt a program of special measures controlling housing costs, mortgage rates, energy costs and other areas not touched by the present program?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the short answer is no. The long answer is that energy costs in the area of petroleum are already controlled, in the area of electricity they are controlled by provincial hydro and so on. There is a very long answer to which I may enjoin the hon. member to listen, and perhaps at some time debate.

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FINANCE

EFFECT OF INTERNATIONAL CURRENCY EXCHANGE DIFFICULTIES ON CANADIAN DOLLAR—GOVERNMENT ACTION

Mr. James Gillies (Don Valley): Mr. Speaker, a question for the Minister of Finance. What are the implications for the Canadian dollar in the international market of the withdrawal by France from the Snake agreement?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, judging by the experience of the international markets in the last five to seven days there have been no implications for the Canadian dollar as yet. It remains, of course, one of the strong currencies on world money markets but we would have to say in general terms that we have to be concerned about any destabilizing effect of world money markets. In particular, we regret it has not been possible to continue a closer integration within the European community of something as important as exchange policy.

● (1450)

Mr. Gillies: Given the fact that there is bound to be pressure developing on the Canadian dollar, is the government going to continue its policy of allowing it to float, regardless of where it may go or will it move to a support operation?

Mr. Macdonald (Rosedale): Mr. Speaker, the pressure we are concerned with at the moment is upward rather than downward pressure. We do not propose at this time to intervene in order to move away from the floating dollar.

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EXTERNAL AFFAIRS

CAMBODIA—POSSIBLE REFERENCE OF SITUATION TO UNITED NATIONS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is to the Secretary of State for External Affairs. It was not clear from the answer he was aware of what was going on in Cambodia. Can he tell us whether his department or the government is taking any steps whatever to draw these tragic events to the attention of the United Nations Commission on Human Rights for action?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, on that specific point, I will be happy to inquire whether such representations have been made recently, and advise the hon. member.

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AGRICULTURE

BEEF STABILIZATION PROGRAM—ALLEGED RESTRICTION OF PAYMENTS TO LAND OWNER RATHER THAN HERD OWNER

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is directed to the Minister of Agriculture. Does the federal Department of Agriculture have a policy that restricts payments under the beef stabilization program to the land owner rather than the herd owner, and is there a regulation that would make a beef stabilization payment void for more than one herd that is kept on the described land?

Hon. E. F. Whelan (Minister of Agriculture): As far as I know, Mr. Speaker, it does not restrict it just to land owners.

Mr. Malone: Why then does the department refuse payment to women who owned their own herds and maintained them on separate land prior to marriage, but sold them after marriage?

Mr. Speaker: Order, please. I am sure the hon. member realizes that information ought to be obtained in another way.

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EXTERNAL AFFAIRS

GUATEMALA—REQUEST FOR REPORT ON SAFETY OF CANADIANS AND AID PROGRAMS

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is to the Secretary of State for External Affairs. In the hope that the situation has now stabilized somewhat, can the minister advise whether all Canadians known to be in Guatemala are reported to be safe? Also, can he give us a brief update as to whether his department had consultation with the missionaries there to determine the best form of aid beyond the initial aid given by the government?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the latest count I have is that all Canadians in Guatemala have been reported safe. The hon. member may know that in addition to the initial food aid in the form of milk powder, we have embarked upon a program of providing shelter that we hope will house a large number of people in two towns in Guatemala. We have on an individual basis been co-operating with missionary groups in Guatemala, particularly a group that was organized in the city of Hamilton. To my knowledge, we have responded to all the non-governmental efforts that have been initiated in Canada, as well as having undertaken a very extensive program of direct assistance from the government.

Oral Questions

FEDERAL MORTGAGE EXCHANGE CORPORATION

DATE OF COMMENCEMENT OF OPERATIONS—NAMING OF PRESIDENT

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I wish to direct a question to the Minister of Finance with regard to the long promised Federal Mortgage Exchange Corporation. Will the minister advise whether this corporation will commence business on April 1, 1976, as promised by the government? If not, why not?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, we anticipate it probably will not do so. The principal reason for the delay is that we have had meetings with people familiar with the current secondary market for mortgages in the private sector to discuss ways in which the instrument might be used. These are not yet completed. Given the nature of the market and the demand for setoff mortgages as investments, particularly by pension and trust funds, we hope to be able to work out an effective regime through which the corporation will be an instrument for achieving this.

Mr. Reynolds: Will the minister advise the House whether his department has advertised in any of the newspapers in Canada for a president of that corporation and whether he has interviewed anybody through other means?

Mr. Macdonald (Rosedale): Mr. Speaker, we have not advertised by newspaper, although representatives of my department have talked to a number of individuals in this context.

* * *

POST OFFICE

CHANGE IN CRITERIA FOR ESTABLISHMENT OF LETTER CARRIER SERVICE

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, my question is to the Postmaster General. It is supplementary to that asked by the hon. member for Restigouche. Until now, the number of postal drops necessary for a community to qualify for letter carrier service has had to be 2,000. I understand the restraint program has put a postponement on the introduction of new applications over 2,000. However, the minister's reply indicated a new criteria. Has the number of postal drops been increased before consideration will be given to door-to-door delivery, or is it just that this is being postponed temporarily?

Hon. Bryce Mackasey (Postmaster General): It is a combination, Mr. Speaker. We have postponed temporarily the introduction of new postal walks. We have also weighted a little more heavily the question of density which has, as the hon. member can well understand, an appreciable effect on how many letter carriers and backup staff we would have to hire if we remained with the old criteria.

[Mr. MacEachen.]

INDUSTRY

CLOTHING—GOVERNMENT ACTION ON REPORT OF TEXTILE AND CLOTHING BOARD ON COLD WEATHER CLOTHING

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Since the recommendations made by the Textile and Clothing Board concerning the impact on Canadian manufacturing of low cost imports of cold weather clothing were submitted to the minister on February 16, and since it will soon be time to place orders for the next cold season, what action will be taken on the report. Will the government be deciding that it is still interested in keeping labour intensive secondary industry in Canada?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I had a very lengthy and productive meeting on Friday with the representatives of the textile industry. We discussed the whole question of low cost imports. A number of steps have been set in motion. There will be discussions between my officials and spokesmen for the industry. I have also asked the Textile and Clothing Board to give me some specific recommendations as to how present arrangements may be changed. A number of other steps have been launched as well. The hon. member will find that the textile representatives present felt that the meeting was productive. I hope that before the snow flies again, if it ever stops flying this time, we will have some answers to these very important questions.

* * *

[*Translation*]

HOUSING

EFFECT OF IMPLEMENTATION OF MONTREAL REPORT ON LOW RENTAL UNITS—GOVERNMENT POSITION

Mr. Armand Caouette (Villeneuve): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs.

Could the minister tell the House whether he read a report by the Montreal economic research and development board on a program to favour building rental houses through Central Mortgage and Housing Corporation loans? If so, could he comment on the conclusions of this study that this loan program will degenerate into an outbreak of bankruptcies in about a decade when the owners will have to retire the loans and increase their rents to reimburse the Central Mortgage and Housing Corporation?

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, the hon. member should be more explicit on the report. I have no precise information to give on a report concerning a person whose name is not mentioned.

[*English*]

EXTERNAL AFFAIRS

REASON FOR PREVENTING RETURN OF SPENT FUEL FROM NUCLEAR REACTORS IN FOREIGN COUNTRIES

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is to the Secretary of State for External Affairs. In view of the minister's statement that spent fuel from a potential Korean CANDU reactor would not be returned to Canada due to environmental implications, whether the sale was completed or not, will he advise what are the environmental implications that preclude the return of spent fuel to Canada?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the question does not arise because the agreement does not provide for any such return.

Mr. Wenman: What was the source of information upon which the minister made the decision that spent fuel could not be returned? Regardless of whether the agreement was completed or not, the decision was made that spent fuel would not be returned. What was the basis for this decision and is the minister prepared to either table or circulate that information?

Mr. MacEachen: Mr. Speaker, the main point in reaching a decision of that kind was that the provisions requiring the return of spent fuel would not add, except marginally, to the safeguard system that we had enunciated.

* * *

● (1500)

LABOUR CONDITIONS

DATE OF TABLING OF HALL REPORT ON RAILWAY PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Labour. Is the minister now in a position to announce a new date for the tabling of the report of Dr. Noel Hall on railway pensions? If he is not able to give it today, could he find out this week and let us have a date?

Hon. John C. Munro (Minister of Labour): I will endeavour to do so, Mr. Speaker. I know Dr. Hall is working as fast as he can and has undertaken to try to make his report soon, but I shall try to get a more specific answer than that.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. SHARP—REMARKS OF HON. MEMBER FOR YORK-SIMCOE IN DEBATE OF MARCH 18—RULING BY MR. SPEAKER

Mr. Speaker: Order, please. In reply to a question of privilege raised by the President of the Privy Council (Mr. Sharp), I indicated I would want some time to deliberate on the matter. The question arises from certain remarks made in the course of debate on Thursday evening of last week. I shall try to deal with it as briefly as possible but it is an extremely important matter and may require consideration at some length.

The basic rule of the House with respect to the procedure and practice in this regard can be found in citation 140 of Beauchesne's. It is probably familiar to all hon. members, and it reads as follows:

> The rule relating to personal reflections occurring in debate may be stated thus, namely: that it is doubly disorderly for any member, in speaking, to digress from the question before the House and to attack any other member by means of approbrious language applied to his person and character or to his conduct, either in general, or on some particular occasion, intending to bring him into ridicule, contempt, or hatred with his fellow-members, or to create ill blood in the House.

In addition, there is another precaution which the House has always observed. I would direct attention to Standing Order 35, again one which is no doubt familiar to all members and which, paraphrased, says basically that no member shall speak disrespectfully against any other member of the House. The rationale behind this, the practice which has grown up in this respect, has been set out in another citation of Beauchesne's, citation 136, which refers to the Bruce case in 1944. I also refer to the Lacombe case in 1943. The ruling is to be found at page 565 of the *Journals* of that year. The practice with respect to both these cases illustrates clearly what has grown to be the custom of the House with respect to allegations of any sort against a member or group of members in circumstances where those allegations are challenged.

The rationale behind all these cases is easy to understand. A member who speaks disrespectfully of another in the House, whether the other person is a member of the House or not, is not subject to prosecution; he is immune from prosecution under the ordinary laws of libel and slander. This does not mean, however, that within the House of Commons the rights or protection available in ordinary civil courts are abandoned. The House itself has developed a regime or practice which has grown up to protect members who feel themselves aggrieved by an allegation; it is a protection in the form of a challenge that the allegation either be substantiated, explained, qualified sufficiently or withdrawn.

The question, therefore, becomes whether the language used by the hon. member for York-Simcoe (Mr. Stevens) last Thursday night was a transgression of the terms of Standing Order 35; in other words, whether it can be described as being unparliamentary language or whether, in light of the precedents, it constitutes an allegation which, having been challenged by the raising of a question of privilege last Friday, ought to be withdrawn, qualified or pursued by way of a substantive motion.

The intervention of the hon. member for Grenville-Carleton (Mr. Baker) relied rather heavily on the fact that in the past, on the two most prominent occasions on which I have had to make a ruling in this area, I have tended to lean in favour of allowing vigorous and strong language in the chamber. I must say, having looked at some of the precedents over the weekend, I find that most of the language which has been disallowed in the past and which might offend members with relatively weak stomachs,

involves language which I find to be not only appropriate but rather stimulating.

Some hon. Members: Oh, oh!

Mr. Speaker: In addition, may I say that the word "illegal", which is the subject matter of this particular controversy, is one which was referred to by the hon. member for Grenville-Carleton in the course of an argument to which the hon. member for Winnipeg North Centre (Mr. Knowles) gave support in delivering his contribution, that is to say, the case which arose a few years ago where the government was accused by the opposition of going beyond its statutory authority by using drawing rights, if I remember correctly, in order to pay its obligations under a statute to certain grain farmers. Not only was the word "illegal" constantly used in that debate, but it seems to me it would not be an unparliamentary term in that particular context. It was used frequently, and the whole subject matter of the debate concerned the allegation that the bill was retroactive justification, or legalization of acts which had been committed by the government and which were illegal. That was the whole substance of the argument, and in my view use of the term, in that context, was not only parliamentary but essential to the debate.

The question I have to ask now, however, is this: Does the same term offend the Standing Order in the different context in which it was uttered last Thursday night? It cannot be denied that the expression was used by the hon. member for York-Simcoe in a much different context, a very narrow context referring to the action of ministers with respect to the judges' affair which was referred to specifically. Since those actions have been the subject matter of constant attention and attack in this House for eight consecutive sitting days, there can be no doubt as to the context or about the actions which were involved. There would not, I think, be much value in speculating on how many meanings or contexts that word might have in other circumstances. In the circumstances in which the hon. member for York-Simcoe used it last Thursday might, there could, after those eight days of concentrated discussion here, really be no doubt. Therefore, I find it had a very narrow context with respect to the ministers involved. It also had a very narrow context with respect to the actions which were referred to.

The term "illegal" or "illegality" has been an integral part of those discussions over the eight days. The government expressed the view that the actions of ministers have not been illegal and made much of the fact that the courts did not find those actions illegal. The position of the opposition has been, if I may summarize briefly, first, that it lacks the information to make such a judgment but would perhaps make it, if it had the information or, in the alternative, that the distinction between "illegal" and "improper" is really not as important as the government has made it out to be. In either case, the definition of "illegal" has been an extremely urgent and important matter in the entire debate.

There are differences of opinion, of course. No one even suggests that there should be any restriction of the right of members or, in this case, of the right of the hon. member for York-Simcoe to hold a contrary opinion. No one need question that. What we are talking about is solely the right to express that opinion and whether Standing Order 35 and the practice which has grown up over the past in any way circumscribes the right of expression or use of that opinion in this particular context.

To attempt to bring the matter to a conclusion, may I say it is illuminating to examine the language used by those who, very ably in my opinion, came to the defence of the hon. member for York-Simcoe. To begin with, at page 11952 of *Hansard* for Friday last, the hon. member for Grenville-Carleton, referring to the debate I mentioned at the outset in connection with the use of warants, said that the term "illegal" employed in that debate was in order. I agree with that. But it is noteworthy that the hon. member for Peace River (Mr. Baldwin), whose intervention in that debate was used in quotation by the hon. member for Grenville-Carleton, stated as follows:

> I would add in this regard that if the action of the Minister of Finance who, under the act, is charged with responsibility is, as I assume it to be, the collective action of the government and the cabinet, then they are all tainted with the same misdemeanour and this would be in effect a collective agreement to break the law, a form of conspiracy.

Another intervention which I think is noteworthy was made by the hon. member for Yukon (Mr. Nielsen), who said:

> In respect of the term "illegal", how can the Prime Minister or any other minister prejudge the issue of conduct and whether it is legal or illegal, proper or improper? Surely, that is not their province. I can lay a charge and I can express the same kind of opinion, with equal validity, as the Prime Minister. The Prime Minister and, obviously, the government House leader came to the conclusion that the conduct of the Minister of Public Works (Mr. Drury) was not illegal but was improper. It is just as proper for me to reach the contrary view. A reading of section 127 of the Criminal Code leads me to the conclusion that there is sufficient evidence to constitute a prima facie case of obstruction . . .

● (1510)

> I do not think it is my province to reach a judgment as to whether that conduct is legal or illegal, proper or improper: that is the province of the courts, or of a special inquiry.

Finally, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), as reported at page 11959 of *Hansard*, said as follows:

> Mr. Speaker, may I deal with one point which the hon. member raised. He is suggesting how the House should condemn the use of the word "illegally." I point out that this involves a matter of opinion. The Prime Minister is of the opinion that, on the basis of what his ministers said to him, nothing illegal or improper was done. We have not had the advantage of knowing what the Prime Minister said to his ministers or what they said to him. It seems to me that we are entitled to say that in our opinion actions have been taken which, until further information is divulged, could be both improper and illegal.

I think hon. members will perhaps realize that I am getting to the point of saying that those who very ably came to the defence of the hon. member for York-Simcoe were evidently at some pains to tell the Chair and the House what the hon. member had the right to say and in fact what he said. I agree with them completely in their interventions and in the conclusion that they reached in respect of what the hon. member for York-Simcoe had the right to say. Unfortunately, however, I disagree with their interpretation of what in fact the hon. member for York-Simcoe said. The hon. member did not say that if other information were available—as others had put it—there might be a conclusion drawn that there was illegality: he did not say that it might be possible to come to that

conclusion. I suppose, to be accurate, I should return to his exact remarks that are pivotal to this whole matter. They occur at page 11926 of *Hansard* for that day and later, of course, at several other places. They are as follows:

"Do as I say, not as I do" appears to be the creed of the present administration. Surely, Mr. Speaker, this type of thinking is shown up so clearly in the judges' affair that is now before us. What administration at a senior level of government in Canada other than this administration would be allowing cabinet ministers who have acted illegally to carry on in their posts?

That, to my knowledge of the debate—which, as I say, has gone on for the better part of two weeks—was the first time that that direct allegation had been made. There had been others couched in other language, but that direct allegation was distinct from others that had been made up to that time. In other words, after several days of such intensive focus upon the acts of ministers and whether those acts can properly be described as illegal, I feel compelled to find that in that narrow context the words of the hon. member for York-Simcoe last Thursday evening constitute the very kind of judgment that the colleagues who came to his defence said it was not within the province of a member to make. Furthermore, they do not, in the expression by the hon. member for York-Simcoe, constitute further argument, but really constitute a statement which, in my opinion, offends against the words of Standing Order 35 and are therefore unparliamentary and must be withdrawn.

Some hon. Members: Hear, hear!

Mr. Speaker: It may be that upon reflection on this ruling and on the precedents to which I have made reference, the hon. member for York-Simcoe would want some time to reassess his position before making any further statement to the House. It may be that the statement may be withdrawn or qualified, as it has been by other hon. members; or, in turn, it may be the wish of the hon. member to proceed with the matter, to stand by the allegation he has made and to suggest that it forms part of a substantive motion, as has been the case in the past. In any case, I would think that the hon. member for York-Simcoe would want to examine and reflect upon the ruling and I think he ought to have at least 24 hours in which to do so. I would, therefore, look to the hon. member for York-Simcoe for his intervention at three o'clock tomorrow afternoon, unless it is convenient for him to do so now. The hon. member for York-Simcoe is indicating that he seeks the floor at this moment.

Mr. Sinclair Stevens (York-Simcoe): Yes, Mr. Speaker. It has certainly never been my intention to act in a manner contrary to the precedents of this House. Accordingly, in view of Your Honour's ruling, I should like to substitute for the word "illegally", appearing in my statement at page 11926 of *Hansard*, the words "improperly or wrongfully", so that the last sentence of my statement would have read:

What administration at a senior level of government in Canada other than this administration would be allowing cabinet ministers who have acted improperly or wrongfully to carry on in their posts?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I should like to thank the hon. member for York-Simcoe for his very important intervention and simply conclude the matter by indicating that, in the opinion of the Chair, in any event, whatever offensive language was used in the hon. member's intervention has now been rectified.

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

OBJECTION TO COMMISSION REPORT RESPECTING ONTARIO

Mr. Speaker: Order. It is my duty to inform the House that an objection signed by the hon. members for Port Arthur (Mr. Andras), Nipissing (Mr. Blais), Timmins (Mr. Roy), Algoma (Mr. Foster), Timiskaming (Mr. Peters), Thunder Bay (Mr. Penner), Kenora-Rainy River (Mr. Reid), Fort William (Mr. McRae), Parry Sound-Muskoka (Mr. Darling), and Cochrane (Mr. Stewart), has been filed with me, pursuant to section 20 of the Electoral Boundaries Readjustment Act, to the report of the Electoral Boundaries Commission for the province of Ontario. In accordance with the practice already adopted in these matters of recent days, I take it it is ordered that we would print the text of the objection as an appendix to this day's *Votes and Proceedings.*

Some hon. Members: Agreed.

Mr. Speaker: Agreed, and so ordered.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 3,534, 3,724, 3,837, 3,876, 4,133, 4,134, 4,135, 4,136, 4,137, 4,443 and 4,597.

[*Text*]

PEI COMPREHENSIVE DEVELOPMENT PLAN—PHASE 2

Question No. 3,534—**Mr. MacDonald (Egmont):**

With reference to Schedule "C" of the PEI Comprehensive Development Plan, signed in 1969 (a) what progress has been made toward attaining (b) what are the reasons for any shortfall from the goals stated therein of (i) removing 93,000 acres of poor agricultural land to other use and adding 270,000 acres to the pool of land available for farming (ii) making basic improvements in marketing facilities for agriculture (iii) zoning control and licencing to concentrate tourist and recreation developments where they will not detract from the best use of farm land (iv) attracting substantial private development capital into the resource sectors of the Island economy (v) increasing the rate of growth of net provincial product to 7% per annum throughout the life of the Plan (vi) assisting fishermen, especially those in the lobster fishery, to move to other occupations (vii) cutting and replanting 4,780 acres of forest lands a year (viii) building of 10 to 11 thousand new housing units by the end of the Plan (ix) an industrial growth rate of 10% a year (x) the employment of 6,500 persons in industry by 1976 (xi) the provision of increased short-term credit for fishing and agriculture at a lower cost than previously?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the

Department of Regional Economic Expansion is as follows: (i) (a) In the five-year period ending March 31, 1975: 40,363.62 acres were transferred to other uses. During the same period, 43,070.90 additional acres were pooled, or sold to individual farmers. (b) The goals to which reference is made were for a ten-year period. The Land Development Corporation, the provincial agency which administers the program, commenced operations in mid-1970. The primary strategy has been to acquire lands voluntarily offered to the Corporation. Therefore, the corporation's operations tend to vary inversely with the strength of private land markets. (ii) (a) Basic improvements have been made by enabling the creation of producer-controlled marketing boards. (b) No shortfall has occurred. (iii) (a) Progress has been made in this area as evidenced by the creation of the Land Use Commission and the pilot zoning work carried out in Kings county. (b) No shortfall has occurred. (iv) (a) Total capital investment in the Family Farm Program was in excess of $22 million. No other statistics are available. (b) No shortfall has occurred. (v) (a See answer to question No. 3,532. (b) Levels of output will be assessed in the 10th year (1978) and the 15th year (1983) with reference to predicted growth rate. (vi) (a) During the early years of Phase I the fishing community showed little interest in measures to rationalize the fishery. However, this view has recently changed and a program to assist fishermen to move to other occupations is now being discussed by the Department of the Environment, theDepartment of Regional Economic Expansion, the provincial government and the Fishermen's Association. (b) Not available. (vii) (a) The objective of cutting and replanting approximately 4,780 acres of forest land a year was based on the assumption that some 400,000 acres of such land would become available during the life of the Plan. To date, only about 1/10 of that amount has become available. Accordingly, planting activities have been as follows:

	Crown Lands	Private Lands	Total	
Year	Planted No. of Trees	Planted No. of Trees	No. of Trees	Approximate Acreage
1969	238,500	181,000	419,500	420
1970	215,000	110,000	425,000	425
1971	160,000	330,000	380,000	380
1972	81,600	122,000	203,600	200
1973	53,500	272,000	125,500	125
1974	96,500	80,000	176,500	175
1975	272,500	60,000	332,500	330

(b) Ice damage to crops in 1971 and 1972 is evident in reduced production in years 1971, 1972, 1973 and 1974. It takes 2, 3, and 4 years to produce plants suitable for planting, hence damage during one season is felt for as many as four years. Nursery production has increased dramatically in the last two years and more extensive acreage will be reforested commencing in 1976. Private land planting has been decreasing due in part to lack of labour and equipment in the spring and poor weather. (viii) (a) Housing Starts (CMHC. Figures) 1969, 767; 1970, 784; 1971, 1363; 1972, 1,079; 1973, 2,122; 1974, 1,334; Total for 6 years; 7,449. (b) No shortfall has occurred. (ix) (a) According to the latest figures available from Statistics Canada, value added in manufacturing reached $26.3 million by 1973. This compares with the 1969 figure of $19.7 million. (b) Sufficient data are not available. (x) (a) Since 1969, Statistics Canada has revised its estimates of employment in manufacturing industry by province. According to the revised figures, employment in manufacturing in Prince Edward Island has risen from 2,500 in 1969 to 3,500 in 1974, the latest year for which these date are available. (b) Sufficient data are not available. (xi) (a) Lower cost for short-term credit has been achieved by the creation of the provincial lending authority. (b) No shortfall has occurred.

[Mr. McIsaac.]

CANADA SAVINGS BONDS

Question No. 3,724—**Mr. Matte:**

1. What was the total revenue of Canada Savings Bonds in the years 1974-75 and 1975-76?

2. How many citizens bought such bonds in 1974-75 and 1975-76?

3. What was the current interest rate of the bonds in 1974 and 1975 to date?

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): 1. Gross sales of Canada Savings Bonds during the fiscal years 1974/75 and 1975/76 were $6,175 million and $3,719 million respectively. Net sales of Canada Savings Bonds, after allowance for bond redemptions, during fiscal 1974/75 were $2,514 million compared to $2,721 million during the fiscal year 1975/76, to February 29.

2. It is not known how many citizens bought Canada Savings Bonds in the fiscal years 1974/75 and 1975/76. Individuals in many instances submitted more than one application and bought bonds as gifts. Individual applications received for purchase of the bonds in the fiscal years 1974/75 and 1975/76 were 2,375,000 and 2,020,000 respectively.

3. The current coupon rates on outstanding Canada Savings Bond issues for 1974, 1975 and 1976 are shown in the table below. For all outstanding issues prior to the 1974/75 Series the average yield to maturity has been raised to 10½ per cent from September 1, 1974, by means of cash bonus payments. Investors will only be eligible to receive this higher yield provided they retain their bonds until the specified cash bonus payment dates. Complete details of the features of the cash bonus scheme are provided in the Department of Finance press release No. 74-68 of September 9, 1974.

Issue	Maturity Date	1974 Coupon Rate	1975 Coupon Rate	1976 Coupon Rate
1962 Series	Nov. 1, 1976	5.50%	5.50%	5.50%
1963 Series	Nov. 1, 1975	5.50%	5.50%	—
1964 Series	Nov. 1, 1974	5.50%	—	—
1965 Series	Nov. 1, 1977	5.50%	5.50%	5.50%
Centennial Series	Nov. 1, 1979	5.75%	6.00%	6.00%
1967/68 Series	Nov. 1, 1980	5.50%	5.50%	5.50%
S.R. Series	Oct. 1, 1978	7.00%	7.00%	7.00%
1968/69 Series	Nov. 1, 1982	7.00%	7.00%	7.00%
1969/70 Series	Nov. 1, 1978	8.25%	8.25%	8.25%
1970/71 Series	Nov. 1, 1981	7.75%	8.00%	8.00%

Issue	Maturity Date	1974 Coupon Rate	1975 Coupon Rate	1976 Coupon Rate
1971/72 Series	Nov. 1, 1980	7.50%	7.50%	7.50%
1972/73 Series	Nov. 1, 1984	7.00%	7.50%	7.50%
1973/74 Series	Nov. 1, 1985	7.00%	7.50%	7.50%
1974/75 Series	Nov. 1, 1983	—	9.75%	9.75%
1975/76 Series	Nov. 1, 1984	—	—	8.75%

FISHING SECTOR OF P.E.I.

Question No. 3,837—**Mr. MacDonald (Egmont):**

With reference to the fishing sector of the Prince Edward Island Comprehensive Development Plan, is the Fisherman Family Resettlement Programme still in effect and (a) if so, how many families have been resettled (b) if not, for what reason?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: For the reasons outlined in paragraph (vi) (a) of the reply to question 3,534, no Fisherman Family Resettlement Program was initiated in Phase I of the Comprehensive Development Plan. (a) Not applicable. (b) Not applicable.

UNUSED GOVERNMENT SPACE

Question No. 3,876—**Mr. Bawden:**

1. Regarding the report of the Auditor General that the government may spend $4.5 million in the National Capital Region this year on office space not being used, what accommodation paid for by the government is not in use at the present time?

2. How much is being paid for each location and what are the lease arrangements?

3. What are the reasons for each location not being used at the present time?

4. How long has each premise been vacant while under government contract and for what period of time will the unused accommodation space be left vacant?

5. How much does the government anticipate will be spent this fiscal year on unused office space?

Hon. C. M. Drury (Minister of Public Works): 1 to 4. See statement following.

5. $4,648,035.

Location	*Amount Paid for Vacant Space FY 75/76	Lease Arrangements Term and Rate per Square Feet	Option	Reason not in use	Period of Vacancy
L'Esplanade Laurier (East) 140 O'Connor Tower 1, Ottawa Part of Floor No. 16	$ 60,273	May 1/75—20 years $6.95 plus estimated operation and Maintenance costs for 1975/76 of $1.33 per square feet. Effective April 1/76 Operation and maintenance costs in 1975/76 dollars are estimated at $2.30 per square feet.	Lease Purchase	Awaiting construction sequence layouts and fitting up for conference facility and health unit.	May 1/75 to March 31/76
Part of Floor Nos. 15 and 16	256,558	"	"	Awaiting client to accept space—layouts and fitting up for Department of Insurance	May 1/75 to March 31/76
Floor No. 14	161,482	"	"	Preparing layouts and fitting up for National Defence	May 1/75 to March 19/76
Floor No. 12	158,015	"	"	"	May 1/75 to March 12/76
Floor No. 11	157,859	"	"	"	May 1/75 to March 5/76
Floor No. 10	152,334	"	"	"	May 1/75 to February 27/76
Floor No. 9	147,354	"	"	"	May 1/75 to February 20/76
Floor No. 8	140,441	"	"	"	May 1/75 to February 6/76
Floor No. 7	137,035	"	"	"	May 1/75 to January 30/76
Floor No. 6	133,880	May 1/75—20 years $6.95 plus estimated operation and maintenance costs for 1975/76 of $1.33 per square foot. Effective April 1/76 operation and maintenance costs in 1975/76 dollars are estimated at $2.30 per square foot	"	"	May 1/75 to January 23/76

Order Paper Questions

Location	*Amount Paid for Vacant Space FY 75/76	Lease Arrangements Term and Rate per Square Feet	Option	Reason not in use	Period of Vacancy
Floor Nos. 3, 4 and 5	502,808	"	"	Preparing layouts and fitting up for Public Service Staff Relations Board	May 1/75 to March 31/76
L'Esplanade Laurier (West) 300 Laurier Tower 2, Ottawa Floor Nos. 21, 22 and 23	287,805	July 1/75—20 years $6.95 plus estimated operation and maintenance costs for 1975/76 of $1.33 per square foot. Effective April 1/76 operation and maintenance costs in 1975/76 dollars are estimated at $2.30 per square foot.	"	Requirements, layouts and fitting up for National Museums of Canada	July 1/75 to March 31/76
Floor No. 18	106,611	"	"	Layouts and Fitting up for Public Service Commission	July 1/75 to January 30/76
Floor No. 17	99,870	"	"	"	July 1/75 to January 16/76
Floor No. 16	96,374	July 1/75—20 years $6.95 plus estimated operation and maintenance costs for 1975/76 of $1.33 per square foot Effective April 1/76 operation and maintenance costs in 1975/76 dollars are estimated at $2.30 per square foot.	"	"	July 1/75 to January 9/76
Floor No. 14	113,852	"	"	"	July 1/75 to Febuary 13/76
Part of Floor No. 5	75,139	"	"	"	July 1/75 to Febuary 20/76
Part of Floor No. 5	49,500	"	"	Preparing layouts and fitting up for Manpower and Immigration/Unemployment Insurance Commission	July 1/75 to March 31/76
Floor No. 4	137,356	"	"	"	July 1/75 to March 31/76
Floor No. 3	137,449	"	"	"	July 1/75 to March 31/76
Place Vanier, Tower "C" 25 McArthur Rd., Vanier Floor No. 9	42,170	April 1/75—March 31/80 $7.20	3(1 year each)	Fitting up for Manpower and Immigration	April 1/75 to Febuary 15/76

*Estimated

TREASURY BOARD POLICY

Question No. 4,133—**Mr. MacDonald (Egmont):**

Is it Treasury Board policy to allow employees access to all written assessments made of their work?

Hon. Jean Chrétien (President of Treasury Board): This matter is covered by Section 13.(2) of the Public Service Employment Regulations, made pursuant to Section 33 of the Public Service Employment Act, as follows: "The assessment of an employee's performance shall be based on selection standards, completed by the supervisor, shown to the employee and signed by both the supervisor and the employee".

[Mr. Drury.]

PERCENTAGE RISE IN REMUNERATION TO DEFENCE SCIENCE GROUP

Question No. 4,134—**Mr. MacDonald (Egmont):**

Since January 1973, has the percentage rise in remuneration to the Defence Science group been lower than the percentage rise in (a) the cost of living index (b) the average remuneration for comparable groups within the Public Service and, if so, in either case, will this modify the application of the anti-inflation guidelines to the Defence Science group in their present contract negotiations?

Hon. Jean Chrétien (President of Treasury Board): The percentage rise in salary for employees in the Defence Scientific Service Group from January, 1973 to December 31, 1975 is 15.35 per cent while the Consumer Price Index has risen 23.12 per cent for the same period. The average cumulative salary increase for comparable Groups within

the Public Service since January, 1973 has been in the order of 26 per cent, but it should be borne in mind that the renewal negotiations now underway for the Defence Scientific Service Group will determine a salary increase to have effect in 1975. It is not expected that the circumstances of the Defence Scientific Service Group will require the modification of the application of the Anti-Inflation Act Regulations in respect to them.

DEFENCE SCIENCE GROUP UNDER JURISDICTION OF TREASURY BOARD

Question No. 4,135—**Mr. MacDonald (Egmont):**

On what date did the Defence Science group come under the jurisdiction of Treasury Board and, at that time, was their previous contract with Defence Research Board considered void?

Hon. Jean Chrétien (President of Treasury Board): The Defence Scientific Service Group came under that portion of the Public Service for whom the Treasury Board is the Employer on April 1, 1974. The collective agreement that was in force between the bargaining agent and the Defence Research Board on April 1, 1974 was not considered void by the Treasury Board in that the terms of that collective agreement continued to be applied by the Treasury Board.

DEFENCE SCIENCE GROUP UNDER CONTRACT WITH TREASURY BOARD

Question No. 4,136—**Mr. MacDonald (Egmont):**

Is the Defence Science group presently under contract with Treasury Board and, if not, for how many months have they been without contract?

Hon. Jean Chrétien (President of Treasury Board): The Defence Scientific Service Group is not currently under a collective agreement with the Treasury Board. The terms of the previous collective agreement expired on September 21, 1975 and the parties have been in renewal negotiations since September 11, 1975.

PERCENTAGE OF PERSONNEL IN DEFENCE SCIENCE GROUP

Question No. 4,137—**Mr. MacDonald (Egmont):**

1. What percentage of personnel in the Defence Science group does Treasury Board consider to be exclusions exercising certain management functions?

2. Does this percentage of exclusions compare to other groups within the Public Service and, if not, for what reason?

Hon. Jean Chrétien (President of Treasury Board): 1. Treasury Board considers that 99 out fo 507 employees or 19 per cent of the Defence Scientific Service Group are excluded from collective bargaining.

2. The average percentage of excluded employees in the Scientific and Professional Category is 14 per cent The status of 51 of the 99 employees whom Treasury Board considers to be excluded is currently the subject of discussion between the bargaining agent and the Treasury Board.

Order Paper Questions

COST OF PUBLICATION "THE CUSTOMS DRAWBACK ROAD . . . TO SUCCESS AND PROFIT"

Question No. 4,443—**Mr. Broadbent:**

1. What was the total cost of the Department of National Revenue publication *The Customs Drawback Road . . . to Success and Profit*?

2. Who was responsible for the (a) research (b) storywriting (c) layout design?

3. How many tenders were called for the contract and, of these, how many were from printers and publishers located in Ontario.

Hon. Mitchell Sharp (President of the Privy Council): I am informed by Revenue Canada and Supply and Services Canada as follows: 1. $29,599.73

2. (a) York Advertising Limited, Ottawa; (b) York Advertising Limited, Ottawa; (c) York Advertising Limited, Ottawa.

3. Thirty-one invitations to tender were issued, of which twenty-two were to printers and publishers located in Ontario.

SUPPORT PRICES—CATTLE

Question No. 4,597—**Mr. Hargrave:**

What was the five year average market price, as currently used or to be used in determining farm stabilized support prices, for the period ending December 31, 1975 for (a) fed cattle (A1 and A2 finished feed lot cattle) (b) cows (c) calves as traditionally marketed after weaning during the last quarter of the year?

Hon. E. F. Whelan (Minister of Agriculture): (a) The five-year average market price for cattle, for slaughter, basis A1 and A2 finished cattle, for the period ending December 31, 1975 was $40.60/cwt. This five-year average price will be used in determining the prescribed price for cattle in accordance with Section 8.2 of the Act. (b) and (c). Cows or calves are not named commodities under the Act nor have they been designated by the Governor in Council for the period ending December 31, 1975. As such, farm stabilized support prices have not been determined.

* * *

[*English*]

STARRED QUESTION

Mr. J.-J. Blais (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call starred question 4,145?

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

*BENEFITS PAID TO PERSONNEL OF EDUCATIONAL INSTITUTIONS SINCE INCEPTION OF UNEMPLOYMENT INSURANCE ACT

Question No. 4,145—**Mr. Stanbury:**

What is the total amount of benefits paid to personnel of educational institutions employed on a school-term rather than an annual basis from the inception of the present Unemployment Insurance Act to date?

[*Translation*]

Mr. Arthur Portelance (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the information required to provide an answer to this question is not readily available. As the Commission does not keep records pertaining to the employment contracts of individuals, the technical difficulties and administrative cost involved preclude the gathering of such material.

● (1520)

[*English*]

Mr. Beatty: Mr. Speaker, I wonder if I might be permitted to draw the attention of the parliamentary secretary to question No. 3,588 which I placed on the order paper on November 20. This question was put on the order paper to elicit information in respect of the practices of employees of foreign governments in Ottawa and whether they have been living within Canadian laws. As it has now been over four months, I wonder whether the parliamentary secretary would endeavour to speed up the answer to this question.

Mr. Blais: As always.

GOVERNMENT ORDERS

[*English*]

ANTI-INFLATION ACT

MEASURE TO ADD NEW DEFINITIONS

The House resumed, from Thursday, March 18, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-89, to amend the Anti-Inflation Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I should like to conclude the speech on Bill C-89 which I started last Thursday, March 18. There are contractors who might suddenly have a flurry of business. The question being asked is, at what point do they stop working? Last fall, Mr. Speaker, I said that controls can have a distorting effect on the economy and that the time period is crucial. I still believe that. When he last spoke on the anti-inflation bill, the right hon. member for Prince Albert (Mr. Diefenbaker) questioned the constitutionality of this legislation. At that time the right hon. member stated, and I quote from page 9587 of *Hansard* for December 1, 1975:

—I suggest the question is whether this legislation is constitutional. It could easily be made constitutional by a simple provision in the preamble that an emergency exists, but the government did not dare admit that because it had contended for several years that there was no emergency.

I would suggest that if the government had taken the right hon. member's remarks into consideration and had consulted the various constitutional experts prior to putting this legislation through parliament, they would not be in the sorry state of having it challenged before the Supreme Court. It has now become clear that the government were not the slightest bit concerned over the constitutionality of their anti-inflation legislation. The very fact that this matter has been referred to the Supreme Court only adds more confusion to the over-all anti-inflation legislation.

The Progressive Conservative party has proven, by its consistent performance and leadership, that it does believe some program of restraint is in the best interests of Canadians. We have no intention of making a political football of the anti-inflation program; our intention is to point out the shortcomings of the program so the government will rectify the situation and continue battling inflation. Double-digit inflation must be stopped. While the Progressive Conservative party has offered a positive program and one that would work, we want to make it clear that the time has come for the government to quit stalling and to show some initiative.

On February 16, the hon. member for Halifax (Mr. Stanfield) called upon the Minister of Finance (Mr. Macdonald) to amend the legislation by changing the appeal system, and even last fall there were appeals from this side of the House to clean up the flaws. Most of these changes should have been made in the original bill. Of course, this government only recognizes mistakes when it is too late. The Anti-Inflation Board, according to reports, has a serious backlog of cases to be cleared up. But what does this government do? Rather than devising a system, it quickly adds 41,000 new companies to the list of those subject to the guidelines. I question what is to be accomplished by such a move.

In light of the government's continuing lack of consultation and its persistent reluctance to make the guidelines applicable to all segments of society, I seriously wonder how they expect organized labour to co-operate. For example, in the area of municipalities there is no jurisdictional control from the Anti-Inflation Board, so we have cases such as rising water rates in Manitoba and soaring power rates in Nova Scotia. How can we really ask the people to tighten their belts if prices are not completely controlled in all segments of the economy? The Anti-Inflation Board, as it presently exists, is a complete and utter farce. I challenge the government to clean up its act.

I should like to conclude my remarks by pointing out that in a public relations document acquired by the Canadian Press from the Anti-Inflation Board it was stated that the Anti-Inflation Board had doubt about the Prime Minister's commitment. The document went on to demonstrate a fairly uneasy relationship between the Anti-Inflation Board and the government. If this sort of attitude continues, then inflation will in future go uncontrolled and, I for one, am confident that the Canadian people will not tolerate this nonsense.

Hon. Herb Gray (Windsor West): Mr. Speaker, I should like today to speak in support of Bill C-89. In recent months, in speeches on various public platforms in North Bay and in Winnipeg, for example, I have pointed out the urgent need for improvements in the appeal procedure set out in Bill C-73, the legislation which created the prices and incomes control program. I argued that this was necessary if the program was to have the wide public support and understanding required to enable it to work effectively. This bill does propose such improvements. I also pointed out that for these purposes the program must be

enforced and, more importantly, must be seen to be enforced as vigorously on the price side as on the wage side. These speeches were brought to the attention of members of the House and the Senate. With regard to the appeal procedure, I said that the law did not give all parties affected by decisions of the Anti-Inflation Board with regard to wages either an automatic or an equal right to make use of the limited appeal procedure already existing.

Under the law as it presently is, to have reviewed a ruling of the board the party must, in effect, openly defy the law, risking a penalty for this, and when it comes to a ruling on wages that party has to be the employer. As I have said previously, I believe such an approach has been hampering the creation of a climate for voluntary acceptance on the part of labour of the guidelines on wages and the board's rulings about them. I have argued that if there are automatic rights of appeal in our legal system for matters as trivial as fines for parking tickets, then there should be rights under something as important as the anti-inflation program for labour as fully as for management.

It has been found that the Anti-Inflation Act, in its original form, froze employees out of the appeal process entirely if the company simply accepted an Anti-Inflation Board ruling and refused to pay any wage settlement not in conformity with it. In such a case, there is no way, under the present law for employees, even though their interests are vitally affected by that ruling, to have the matter reviewed by getting it before the administrator and having the right to further reviews by the appeal tribunal or the cabinet.

I have argued that if such rights could not be set up through changes in the policy of administration of the act, the government should ask parliament to make the necessary amendments to it as soon as possible. This is what it is doing, and this step is necessary to remove the sense of injustice many workers may feel when they look at the present procedure for having board decisions on wages reviewed. However, in order that there may be an automatic right of appeal for labour no less than for management, I think it should be a condition that both sides must abide by the ruling in question during the time it takes to dispose of the appeal. This is needed in order to ensure that the system does not break down if there should turn out to be a large number of appeals. However, I think that sound administration of the program at the board level, together with a more fair appeal procedure, will in fact mean the number of appeals will not be unduly high.

The amendments proposed in Bill C-89 remove the difficulties in the appeal process which I have outlined. They are welcome, and I believe the government should be commended for presenting them so that any injustice connected with the present appeal system would not undermine the high degree of public support for the program which is so necessary for its success.

There is, however, one aspect of the appeal process with which Bill C-89 does not deal. I should like to ask, what if a company increases some, or all, of its prices? What if the board rules that these price increases do not exceed the guidelines? What if the board does not give a formal ruling, but simply advises the company informally that it does not object to the increases in question? Neither the Anti-Inflation Act, Bill C-73 nor Bill C-89 provide any recourse to the consumer who does not agree with this kind of advice or ruling on the part of the Anti-Inflation Board and who wishes to have the matter reviewed at a higher level.

● (1530)

I think, therefore, there should be some procedure for bodies like the Consumers' Association, the National Anti-Poverty Association, the Canadian Labour Congress, or even individual consumers, to appeal a decision or opinion of the board accepting a price increase. At present, if a company does not agree with the ruling of the board that a price is to be rolled back or not increased, it has the right to have the matter appealed, first to the administrator, then the appeal tribunal, and even to the cabinet. There is no equivalent right for a consumer who does not agree with a price increase allowed or agreed to by the board. I think consideration should be given to creating this kind of right. This is something we should pursue when the bill is before the finance committee for detailed study.

As I said previously in the speeches I have mentioned that the program will work most effectively if it has wide public support and understanding. This means the program must be enforced and, more important, must be seen to be enforced as vigorously on the price side as on the wage side. To do this, the board must publicize its findings and conclusions on prices as fully as it presently does on wages. I said that if the act has to be amended for this purpose, the government should ask parliament to take this step without further delay.

However, it has been my belief that the board can do more to make the public aware of the results of its work on the price side even with the act continuing in its present form. You will recall that recently I raised with the Minister of Finance (Mr. Macdonald), here in the House of Commons, the need for more formal decisions by the board on prices and the need to make them available to the public. He replied that he would be discussing these points with the chairman of the Anti-Inflation Board.

Last Saturday, the Canadian Press reported that "stung by criticism of its failure to control prices, the Anti-Inflation Board plans to make public a list of companies that have agreed to reduce planned price increases after talks with the board." This announcement is welcome. It is a wise departure by the board from its original policy, which appeared to be that if a company would make price reductions voluntarily, accepting the board's informal advice, the board would likely not think it necessary to make a formal ruling which the law allows it to publish. However, the Canadian Press report in question also went on to say that "late this week the board was still contacting the companies to get their permission for the public statement expected about Thursday."

In my view, the firms in question should be identified, whether or not they give their permission. The act permits the board to publish its formal rulings, and if the board simply states, as a formal ruling, the advice it gives to a company on price rollbacks, then that ruling, including the company's name, can in fact be published. This is so even if

the company complies voluntarily with the board's advice and even if it does not agree that its name be publicized.

In the Toronto *Star* for last Saturday, the chairman of the Anti-Inflation Board was quoted as saying that the board was looking for business volunteers "whom we can hang up in public and chastise" when it releases examples of reductions in planned price increases next week. Assuming he is quoted accurately, then I think the chairman has not taken the best approach. Of course, his words were likely to have been said with tongue in cheek. However, when rulings are published, I believe there should be no more stigma attached to a firm which voluntarily complies with a board ruling on prices than there is attached to a union which voluntarily accepts a ruling on wages.

The purpose of publishing information on price rollbacks is not necessarily chastisement of business but, instead, is confirmation of the effectiveness of the program when it comes to prices. The chairman of the Anti-Inflation Board did not express concern about the sensibilities of groups of workers who have been mentioned in the rulings the board has already published on wages, nor did he express concern about the possibility that they would be looked upon as having been publicly chastised for seeking a wage increase which the board ruled to be above the guidelines.

Protecting the sensibilities of companies is not, in my view, as important as having the board's effectiveness and credibility established to the satisfaction of the general public. In order to maintain its support for the program, the public must be shown that the program is in fact being administered in an even-handed way.

Bill C-89 is limited to dealing with some measures urgently required to make the controls program work more fairly and effectively. However, we have to go much further than this as the months go on. I believe the prices and incomes policy deserves wide support since its objectives are to protect and, in fact, to improve the real income of all Canadians and maintain our competitiveness in international markets. The program has been showing encouraging signs of effectiveness on the price side, judging by the most recent cost of living figures. However, ultimately it is not controls but, rather, greater productivity that will get us out of our current economic difficulties and enable us to achieve these objectives on a long-term basis.

It is through improvements in productivity that Canadians will get improvements in real purchasing power and real living standards. The government and the public alike have come to recognize that the prices and incomes program at best provides a breathing space in which to develop and apply policies to bring about a more efficient and productive economy. We must begin now to consider how we are going to accomplish this. In fact, we must soon move beyond such consideration and begin taking action to improve the productivity and efficiency of our economy.

Improvements in Canada's productivity require the cooperative effort of government, business and labour. But this effort must be spearheaded by federal government leadership in terms of both co-ordination and action. Productivity in Canada, in the sense of output per employee, has been falling in recent years, especially in manufacturing. What are some of the reasons for this decline in productivity? We have had a rapidly growing labour force, but proportionately less of it has been going into manufacturing which is high in productivity compared to the service industries.

[Mr. Gray.]

Investment in plant and equipment has not kept pace proportionately with the growth in the labour force. There is the matter of the state of management skills and the declining amount of research and development done in Canada, as well as the attitude of workers toward their work. Only one of the factors I have outlined pertains directly, and even then not completely, to workers themselves. Dealing with all the other aspects means a direct challenge to and responsibility on the part of government and business.

Productivity has, like the weather, become one of the things that everybody, especially the government, is talking about. Unlike the weather, the government and the private sector can, in fact, do something to improve it. There has been increasing talk by government regarding the need for improving productivity, but so far little tangible action. I believe we should have a national productivity centre to bring together management, labour and government to do research, to identify blockages in efforts to improve productivity and to work out consensus plans for improving it. We have nothing like this as yet. The work of federal government departments and agencies in the field also appears to be minimal compared to the need.

There are a number of areas that require government attention. These include measures to improve techniques to voluntarily resolve labour-management disputes without strikes, measures to improve the physical conditions of the workplace, and techniques for greater involvement by workers in decisions about their jobs and how they are carried out. These, I think, will have a favourable effect on the positive motivation of workers and their attitude to their jobs, and therefore on the quality of their output. There is a great need for government action to reduce the downward trend of research and development in Canadian industry, something which I believe is linked with the continuing high degree of foreign control of our economy; and the latter also requires further government attention.

● (1540)

There is also the need to review the anti-inflation program to ensure that it gives proper attention to the need to encourage greater productivity on the part of both management and labour. The changes in the anti-inflation regulations announced by the Minister of Finance at the opening of this debate with regard to bonuses and profit-sharing by workers are a step in the right direction. In short, federal government leadership through tangible action is essential to improve Canadian productivity. Let us hope that over the next few months we will see programs of action as well as expressions of concern by governments at both the federal and provincial levels.

In a speech in Vancouver on Feburary 12, the Prime Minister (Mr. Trudeau), speaking of the breathing space provided by the control period, suggested that it be used—

—to define the kind of society we want, the kind of choices we want to make as a nation and to find the best methods for achieving our goals.

If this period is to be used for this purpose, what is the best way to go about it? I have said on other occasions that there are several alternatives. However, I believe that defining these choices and goals certainly should not be

done only by some planning group working confidentially within government, with the results sprung on parliament and the public to be accepted or rejected without individual Canadians or their elected representatives having taken full part in developing them. There must be wide involvement of Canadians generally. There also should be a way of ensuring that any consensus developed will in fact be a basis for action by government where such is the most appropriate way of helping achieve the goals sought.

One approach is the establishment of a royal commission. However, there is a risk that such a body will seem remote and apart from the ongoing process of Canadian life, and the commissioners may not turn out to be sufficiently representative of Canadian regions or sufficiently attuned to the concerns of individual Canadians. There is also the matter of additional expense.

I would propose, instead, the setting up of a special parliamentary committee on national goals. Its make-up would reflect the regions of Canada. Its members would have that sensitivity which comes from being part of the political system. The committee would be able to hold hearings in all parts of the country, hearings which would be made easily accessible to individuals and groups. The cost would be much less than that of a royal commission. There would be no extra expense for salaries and offices, and with only limited additional expense for staff and administration.

Finally, the report of such a committee would be produced by people who are part of the process which is part of the making and implementing of federal government policy. Where the report called for action by the federal government, that government would be accountable to the Canadian people for such action or the lack of it through the caucus of its supporters and through the House of Commons and its committees generally. The Special Joint Committee on the Constitution did excellent work and is, I think, one precedent for the kind of committee I am proposing. I would, therefore, urge that the government ask parliament to create a special committee on national goals at an early date.

The success of the anti-inflation program requires the involvement and effort of all Canadians. The working out of measures to deal with the underlying problems of the Canadian economy as we move through and go beyond the period of the controls programs requires this co-operative involvement and effort as well. I hope there will be an early statement by the government as to how it envisages this work being carried out.

To conclude, let me say that I believe that meanwhile the changes in the program proposed in Bill C-89 are urgently required, and therefore the bill deserves speedy approval by this House.

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, about five months ago the government introduced to this House Bill C-73 with a great deal of bravado—certainly much more bravado than planning. I was interested to hear the comments this afternoon of the hon. member for Windsor West (Mr. Gray) asking for support for this legislation in its amended form. I was encouraged by some of the things he said. He said that there has to be increased productivity in our country. I could not agree more. However, I do not know whether the rewarding of workers for increased productivity by a maximum 2 per cent bonus will really encourage productivity, as the hon. member hopes.

Second, he suggested that what the government should do is exercise some leadership and he proposed the inauguration of a national productivity centre. I beg to differ with the hon. member on that point. It seems to me that any kind of government program, even a national productivity centre, would be totally unproductive. We would have bureaucracy finding more job-creation programs and this would not increase one iota the productivity of the country. It would simply be shuffling around some of the bureaucrats.

The hon. member went on to enumerate some of the reasons for there being no greater productivity in our country. I agree with the reasons he cited. But what he failed to do was question those elements in our society which are the reason for our not being as productive as we should be. He did not say why, for example, there is no more money going into better management or into secondary industry. Perhaps we should ask whether the government should not offer some leadership in productivity by creating incentives for these industries, so that there will be more desire for management to reproduce the industries that we so desperately need in our country.

Some weeks ago I was shocked to hear, in a news report from Vancouver, the chairman of the Anti-Inflation Board, Mr. Pepin, who was being questioned by some businessmen in Vancouver—I know that news clips can be misleading—saying, "I really do not know anything about this business." I wondered whether I was hearing something out of context—or is this really where it is at? Does the chairman know how to handle the heavy responsibilities which he has?

There are serious questions facing us in this legislation, even in its amended form, which make me question the viability of the entire program and whether or not we should support it. Basically, we oppose the bill for two main reasons. First, even a casual glance shows that it will produce endless cases of unfairness and inequity for the people of Canada. Second, there is no end in sight to the rapidly accumulating regulations as a result of this program.

The fears that we voiced when this bill was first introduced to parliament have proven to be very true. Just the other day there was a headline in one of the local papers saying that the board now has a backlog of 1,000 cases on which it must rule. The other day I saw an article which stated that the Anti-Inflation Board is now too busy to handle the orientation program for some of the union officials who want to be trained in the program so they can meet it on its own ground.

There is a growing suspicion in our country that the AIB will be harder on wage earners and consumers than it is on industry and prices. What frightened us even more was the fact that the original program contained no process of appeal, no final court or appeal. I recall the Minister of Finance (Mr. Macdonald) time and time again being questioned on this topic. He always answered by saying, "What is the matter with that? Why should we need any court of appeal?" The Minister now presents himself to this House

as a picture of injured innocence because we had to keep suggesting that. In spite of that, he now congratulates himself for having listened to the opposition and is now patching up the legistation.

● (1550)

The problem with this amendment is that it is patchwork. The question we must answer is, how long we are expected to add patches to repair a basically poor product? How many times is the minister going to come back to us with additional amendments in order to repair what is damaging and poor legislation? I am reminded of the famous parable that no man sews a new piece of cloth on to an old garment lest the rent be made worse. Another analogy comes to mind. I remember the days during the war when there was gas rationing in our country. Everyone was a victim of that rationing, and everyone tried to find ways to accommodate himself. Hon. members will recall that there were three or four different kinds of stickers for vehicles. If a motor vehicle was used purely for pleasure, it bore an "A" sticker. If there was a little bit of work involved, it bore a "B" sticker. For commercial use, vehicles bore a "C" sticker, and trucks bore a "T" sticker. If a person had a truck sticker, he could obtain an almost unlimited quantity of gasoline. During the war, people naturally wanted trucks. What did they do? All a fellow who owned a coupe had to do was take the trunk lid off his car, manufacture a box, stick it into the trunk, and he would have a truck. He could register it as a truck, get a "T" sticker and obtain almost all the gas he wanted. He could have taken this sedan, chopped it down right behind the front seat, put a wall there, put a box on the back end, and have that vehicle qualified as a truck.

Mr. MacFarlane: He couldn't have been from Ontario or Quebec: that must have happened out west.

Mr. Friesen: Yes, there were many of them out west, but I am sure there were some in Ontario as well.

The trouble was that no matter what was done with those vehicles, they were still not trucks; they were cars and their basic structure and undercarriage did not qualify them as trucks. They could not carry better loads. All they did was look like trucks. A truck sticker could be obtained for them, but they were no better except for their appearance. They were not designed to work like trucks; they only appeared to be trucks. That is really what this program is like. For months, even years, the government had been under pressure to do something about inflation and its typical response has been: What inflation? Finally, when the government succumbed to the repeated barrage from the people of the country to do something about inflation, it acted impetuously, without due care and in a very piecemeal and patchwork way to bring together a program which was supposed to look like an anti-inflationary program but really was not.

If this program really is to be an anti-inflationary program, it should be designed to attack inflation and the major causes of inflation. Whether hon. members agree or not, the major cause of inflation in this country is the government itself. But far be it from the government to attack itself on this matter. Even in the amended version of this program there is nothing which puts an effective control on government spending.

I have before me an article from last week's Vancouver *Sun*. In it are statements made by Maxwell Henderson, the former auditor general of Canada. I should like to read one short section because I think it is relevant to this debate. Maxwell Henderson wrote about the committee system in this House and the control the committee system is supposed to have on government spending. Part of the article reads as follows:

> This was in November, 1968, when as auditor general I was the adviser to the public accounts committee of the day. The Honourable C. M. Drury, then president of the treasury board, presented the government's proposals. One of these was a still further reduction in the number of votes or debating opportunities available to MPs.
>
> In 1964, when Canada's yearly spending was around $6 billion, the government had persuaded the members to reduce the number of votes from 495 to 236.
>
> At the 1968 meeting when yearly spending was $9.8 billion, Mr. Drury proposed a still further reduction of 100 votes—from 236 to 136—to "facilitate the work of MPs and to better serve the needs of more effective government administration."
>
> The members of the committee seriously questioned this further reduction but the Liberal majority of the committee ensured passage of the proposal.
>
> The reduction may have served the needs of the treasury board administration, but it has not facilitated the work of the MPs. The 136 votes left are so large and the information available in the blue book so minimal that for many MPs it has become an exercise in frustration and futility.

There we see the nub of the problem in the committee system and one of the reasons high government spending goes on unabated while to the public eye members of parliament have some control over government spending. However, over the years the treasury benches have manoeuvred the committee system into such a position that it really has no effective control on spending at all. The government goes merrily along giving to members of parliament its estimates and its votes, and we are expected to vote on large blocks of money without really finding out how the government intends to spend it.

First, if the government really wants to deal with inflation it will put its programs under the influence of the Anti-Inflation Board and let that board exercise some jurisdiction over them. Second, if the government wants to attack inflation where it really exists, it will do something about the increase in the money supply. The other day the hon. member for York-Simcoe (Mr. Stevens) pointed out that in one year the money supply increased by 23 per cent. We cannot expect the public to get serious about attacking inflation if the government works in this way. How can we expect private enterprise to take a serious look at the anti-inflation program if the government itself is violating every possible principle of the economy in its anti-inflation program?

Third, the government must put itself under the restrictions it has imposed on the rest of the economy, namely, the 10 per cent maximum. I again point out what the government has done in this regard. The increase for the Unemployment Insurance Commission for 1976-77 over 1975-76's is 91 per cent; for Statistics Canada, 50.5 per cent; for the Department of Industry, Trade and Commerce, 40 per cent; for the Public Service Staff Relations Board, 40 per cent; for the Auditor General, 27.5 per cent; for the Post

Office, 25 per cent; for the Public Service Commission, 25 per cent; for the National Research Council, 22 per cent; for the National Film Board, 19 per cent; and for the Department of Finance, the department which gave birth to this whole program and is asking the general public to live with 10 per cent, 16.5 per cent. What kind of contradiction is that?

● (1600)

An hon. Member: Shame!

Mr. Friesen: What kind of hyprocrisy is that? The second great reason we opposed Bill C-73, and most certainly oppose this amendment to it, is that the criteria to judge this and other legislation is where it will take us in the end. it is now obvious, as we predicted earlier, that there is a growing government bureaucracy involved in this program and that government bureaucracy is itself one of the great contributors to inflation. It is now obvious that there is a growing influence of the Anti-Inflation Board.

The hon. member for Windsor West quoted the Prime Minister (Mr. Trudeau) as saying that this bill would provide a stable climate—I believe those were his words, or he used words to that effect—in which we could appraise our position. I really cannot see how, in the vacillating jurisdiction of the Anti-Inflation Board, we can ever hope to have a stable climate. I cannot see any more stability in the economy today than five months ago when the program was introduced by the Prime Minister and the Minister of Finance. How much stability is there in our economy?

Finally, Mr. Speaker, we must weigh this legislation and ask where it will take us and what its portent is for the future. What are the powers of the administrator? At the outset we were very concerned about the unlimited powers of the administrator. Certainly, the legislation before us corrects one of the great injustices in the program, in that there will now be a means of appeal. That provision should have been in the original legislation. But what about after appeal? How pervasive will be the powers of the administrator?

The minister said today he expected there will be a three-year limit on the program. Can we be assured of that? How far is this program going to reach into the future? I believe many of us hold to the old Jeffersonian principle that the best government is the least government. This government is taking us in the opposite direction. Seemingly, the Prime Minister and the Minister of Finance believe that the most government is the best government. I would again caution the House on the validity of this program, Mr. Speaker, and say that we must oppose it. It ought to be scrapped, and we should start again from the beginning and bring in a genuine anti-inflation program.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, having listened to the speeches, one cannot avoid contrasting the quiet of the House with the turmoil that prevails outside over this question of anti-inflation legislation. Perhaps that is the way it should be. This question should be discussed with reason and with logic and, of course, it will be decided here because an incomes policy of any kind is not an economic decision, it is a political judgment. The difficulty with the acceptance of this program is that we are afraid of the kinds of political judgments that are going to be made about incomes in this country, not the economic decisions.

I think almost anyone will agree with the need for restraint, and almost anyone will agree that the kind of world we live in calls for some kind of incomes policy. But the question is, what kind of incomes policy is it going to be, and for whose benefit is it to be instituted? Unfortunately, the way the program now stands, and with the things we now have in place, it turns out to be largely a profit-maintenance program rather than a true incomes policy. Wages are relatively easy to control. The government has taken the easy way out and dealt with wages. Other forms of income, even if the government wanted to control them—and, in fairness, I think I have to say that whatever the feeling over there, they would like to control other forms of income—are almost impossible to control. When talking about prices, profits, interests or dividends we are talking about very difficult subjects.

The angry display on Parliament Hill today by the wage earners of Canada can be understood in that kind of context. The "Why me?" buttons, while they look very simple and straightforward, express a deep-felt emotion. It is, "Why me?" It is because, in fact, they are the ones being asked to bear the brunt of what the government calls its anti-inflation program. In the long-run, I think the success of this program is going to hinge on its fairness. If the government cannot control other forms of income directly through the measures in the Anti-Inflation Act, it will have to find other ways. It will have to do it through the Income Tax Act, through redistribution policies of one kind or another, or through the introduction of tax credits.

If we look at the legislation before us and examine the appeal procedure, there is not a great deal to argue about. Certainly, the New Democratic Party supports in principle the idea that there should be an appeal even if the legislation is a bad piece of legislation—and we think it is. Nevertheless there has to be some opportunity for appeal against it. The problem comes when you get down to defining what you are going to appeal. It is not like a court of law with a long established history, with precedents, with a system of determining what is justice under the criminal law: what you are appealing is an arbitrary decision made by the government on what the maximum income of a wage or salary earner should be. In fact, you are appealing what is a political decision—or you should be appealing what is a political decision, rather than what looks like an economic judgment.

Ultimately, the appeal of the workingman will not be through the appeal procedures outlined in Bill C-89, but it will be a political appeal at the next election. The judgment is really a political judgment on how much one person is worth as against another, or how much one person should get compared to another. That is a political decision, and it will be decided politically.

When you look at this procedure, you have to ask how someone will be judged. You appeal against the administrator and go to the appeal board. What will you argue? For instance, will the appeal board accept the kind of argument that the government has accepted on behalf of the exporters of Canada: the kind of argument that says you should

not restrict the price of exports because that makes it very difficult to make sales abroad—the kind of argument that asks: What should you care what we charge international markets? The government took controls off the exporters; it listened to them and took the controls off. That means the exporters are free to get whatever price the world market will permit and are free to make, whatever profit arises from them. But what about the people employed in the export industry? Is the appeal board going to listen to them and say that they can make a great deal of profit because the government has said that industry is free from all restrictions? Is it going to say that in view of that, they are entitled to take some of the profits that arise from the higher prices exporters are charging?

● (1610)

There is no evidence that the government intends the anti-inflation legislation to deal with questions of that kind. There is no evidence to indicate that an appeal board would have the power to recognize that kind of argument. Therefore, while it to some extent gives an opportunity for another kick at the cat, so to speak, does it offer any meaningful appeal; and on what basis can the appeal be instituted? It talks about this, that and the other, and that is all on which you can appeal. I wish to give an example. If the United Automobile Workers go to the appeal board because they dislike the kind of restriction placed on what they can bargain for, they may say they have an historic relationship with the American Automobile Workers as well as the Canada-U.S. automotive agreement which is supposed to establish the same kind of conditions continentally. Is the appeal board going to listen to that kind of argument? Will it accept the historical relationship of the Canadian autoworkers to the American autoworkers and grant them something in excess of the guidelines, if that is the case? There is no evidence to suggest they would, or that they would even have authority to consider that kind of argument.

While the appeal board provides some kind of emotional outlet against a bookkeeping error or judgment in the arithmetic of a previous decision, I do not see how the appeal procedure will in any way be meaningful, especially if you are trying to appeal what in fact is a political judgment rather something you can argue on economic terms.

I said earlier that the restraint is essentially on wages and not on other forms of income. It might be useful to look at some of those other forms of income to see to what extent, if any, the restraint program applies to them. We know the government has exempted food at the farm gate from controls. They probably had to do that. I do not think there is any way you could restrict the price of food at the farm gate without having a devastating consequence on the future food supply. The government indicated it has no intention of controlling interest rates. Obviously, it cannot do that and might as well admit it. However, interest rates are an important factor in the cost of living and they have a psychological element in a society whose co-operation the government is seeking when instituting a restraint program.

The government would have been far better advised, and this program would have been more widely accepted, had the government been honest with the people of Canada. It should have admitted, when it brought in the program, that no incomes policy, no matter how well designed or how well intentioned, can be anything other than the rough justice that the former leader of the Conservative party called it. It is going to be rough justice, and it will be so for a considerable period of time.

Had the government said that, and had it coupled it with an understanding or statement that it was going to move to correct it, perhaps the program would have been accepted on that basis. Instead, the government is trying to persuade us that it does in fact have an incomes policy. In their more frank moments they admit there are problems with the program. Actually, it comes more often from Mr. Pepin than the government that there are problems with the program and that adjustments have to be made. However, nowhere does the government face up to the reality that it is the workingman being called upon to make the sacrifices and that hardly any other group is being asked to do the same.

Recently, the government made a great play with regard to controlling or freezing dividends, as if that makes any difference. If you freeze dividends and say that you cannot pay out more this year than you paid out the previous year, and the profits of a corporation rise or continue at a level that would justify a higher dividend rate, what have you really accomplished? All you have done is capitalized the income the dividend-holder might have received in that year. Instead of giving the dividend-holder cash in the year, you claim to have frozen his dividends. What you have done is allow the stock to rise because of the surplus cash and profit position of the company, and increased the value of that stock. The stockholder may not get it in cash as a form of dividend pay-out, but he gets it in stock appreciation. In fact, there is no control to the effect that the cash flow is going to be somewhat different. Certainly, there is no serious restriction on the amount of money the stockholder has been able to earn or to calculate for the future.

I pointed out in the case of dividends that if you do not get paid this year, that will result in an increased value of the stock and the dividend-holder will receive it at some time. However, the wages that a wage earner does not get in any particular year under this program are lost forever. That wage earner has no way of capitalizing his or her wages; they are gone. That is hardly a fair division of sacrifice between the wage and salary earner, on the one hand, and the person who gets theirs through dividend appreciation or pay-out.

If there is resentment about this program, it should not come as any surprise to anyone, particularly the government which says it cannot understand the opposition of the trade union movement. They point to other countries where in fact the trade union is co-operating. What the government conveniently forgets in the case of other countries—and I think it is almost universal—is that the trade union movement is co-operating with governments to restraint programs because there is an understanding between the trade union movement and the government. What it cannot get for the workingman at the bargaining table because of the limits on bargaining, it can get through the political process. This is true in Sweden, where there is an enormous amount of co-operation. It is

true in Great Britain, where there is a tremendous amount of co-operation despite the history of the trade union movement in that country.

What was the answer of the Prime Minister (Mr. Trudeau) to that sort of response? He said, "You have to join the Liberal party". He stated that if you do not join or support the Liberals, you do not look for any benefits. In fact, he said that if you are not a member of the Liberal party you will be punished. The fact that the history of the Liberal party does not instil confidence in the trade union movement, and the fact that the New Democratic Party exists because of the failure of the traditional parties in their country to satisfy the aspirations of the workingman, does not seem to occur to the Liberals. They still do not want to recognize that fact. If one considers how difficult, if not impossible, it is in a country like Canada, with two established political parties, for a third party to rise, survive and grow, one has to say there is a genuine grievance for that party to continue to be in existence.

● (1620)

If the Liberals and Conservatives had been friends of labour while in office, the NDP would not be in existence today. The NDP exists today because the working people had no choice except to work toward forming a party of their own. For the Prime Minister to suggest that the right answer is to join the Liberals in order to get something done is hardly proper. As a student of history, he should have more respect for the history of his own country, the formation of the New Democratic Party and labour's affiliation to that party.

I should like to talk about profit control. The government has, with some wisdom, decided not to try to control prices directly. It recognizes, as I believe most people recognize, that in order to enforce price controls effectively more people would probably be needed to check prices than to produce the goods. In a complex society like our own, it is almost impossible to control prices effectively at the retail level when one considers the thousands of products on the market and the thousands of new products which come on to the market each year. It is almost impossible to maintain price relationships in these circumstances. People say it was done in wartime. That is true, of course, but even in wartime, with the great patriotic spirit which existed then, the system did not work particularly well. Moreover, during wartime not many new products came on to the market. Most products were intended for the war effort and consumer products did not vary very much from year to year.

The government has decided to approach its objectives by controlling profits. This course is likely to be just as unsuccessful, Mr. Speaker, unless of course the government wishes to change the present system entirely. Perhaps that will be the one great thing to emerge from this effort on the part of the government—the destruction of the very system they believe they are protecting. The rationale of a capitalist economy is profits. If you restrain profits, you wreck the selfish motive which animates this whole capitalist hegemony. Perhaps the government wants to do this, but I do not think so. Let me give hon. members an example of the kind of thing that happens. In the *Globe and Mail* of March 17 there is an article headed "Crispo contends defeat of inflation causes is key challenge". Like most headings, that one has nothing to do with the contents of the article, so do not be misled by it. In the body of the article Mr. Crispo recounts something which came to his attention. He said:

> One banker finally got permission from head office this year to redecorate his branch because, he was told, the banks' costs must go up to keep within AIB guidelines.

There is going to be more and more of this. There is one thing the government can count on as far as business is concerned. To the extent government restrictions on profits are effective—and I do not think they are likely to be very effective—and I do not think they are likely to be very effective—and industry sees itself in a position where its profits are going to exceed the guidelines, what is likely to happen? In the past, to stay within the guidelines companies could have paid higher wages. Today they are restricted in their ability to do this. They could have paid out more by way of dividends. They will now be restricted in their ability to do that, too. They could, of course, pay more taxes to the government, but that is the last thing they would be willing to do; they would burn the money before doing that. So what they will do is pad the costs of their operations; this is really what the article is suggesting. I am not adducing this one article as being evidence or proof; I am simply appealing to the common sense of those who have some knowledge of the way business works.

The capitalist system operates on the premise that you run as lean as you can; you cut costs because you are trying to make a bigger profit. If it is said that profits will be restricted, then the whole motivation of the system is removed. A businessman or business executive will ask, "Why should I drive a small car when I can just as well drive a big car, since in the end it will have no effect on our profit situation; to the extent that our profits are high, the Anti-Inflation Board will cut them down?" Or executives will tend to say, "We will simply take things much easier because we do not want large profits; we do not want to draw attention to ourselves." So even if the system works, the present rationale of private industry will be destroyed and we are likely to see the decay of private industry as well.

I am not saying this because I do not think profits should be controlled in some way, or because I do not believe we should be siphoning off some of the surplus generated by the system; I am saying it cannot be done directly without wrecking the mechanism itself. The result should be obtained in some other way. The real test of the government's willingness to operate an effective program will not be strict adherence to the guidelines, or the provision of appeal procedures which are really not going to change the picture very much. The test will lie in its readiness to capture this surplus in some other way and redistribute it through the income tax system or through some other program under which those who are making the money will find some of it siphoned off to compensate those who are not.

But there has to be a differential established to ensure that the people at the bottom will get more than those who are already well provided for. The people at the bottom have no money because they have never been able to get any. They have no more bargaining power since the Anti-Inflation Board was established than they had before the

control program was brought in. It is sophistry to say that the AIB program will result in redistribution of income. To redistribute income effectively one must tax money derived, not from wages and salaries but from professional fees, dividends and other sources and distribute these funds through a tax credit system to those at the bottom.

To some extent, my party can take satisfaction in the bill before us. We have throughout this period stressed the need for some changes at least in what we believe to be a grossly unfair program, and changes are now being made in certain areas. On two occasions my leader has suggested to the government an appeal procedure that would be the very minimum required to make the program more acceptable. The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) has also spoken on this subject.

● (1630)

I should also make it clear that the New Democratic Party is not opposed in principle to the restraint program. This is something that has to be repeated, since there has been a tendency to misquote the party or to misinterpret the purpose of our objection to this particular program. We think that the restraint program can in fact be very useful, if it is fair. This is really the point we have been trying to make in the suggestions we have put forward and in calling for improved appeal procedures.

One of the sad things about this entire debate is the way the government is placing the trade union movement in a position from which it cannot co-operate in any honourable way. There is a tendency on the part of the government to forget that in the past the trade union movement has indicated its willingness to go along with restraint programs if those programs applied equally to all elements in society. I recall the Christmas before last a brilliant speech made by the president of the Canadian Labour Congress. I should like to read it into the record—I think I have sufficient time to do so—because it is worth recalling that the trade union movement has spoken up repeatedly on the need for social cohesion and co-operation. Only because the government has refused to recognize the gross unfairness of its present program has labour been put in a strong adversary position against the program itself and against the government of this country in the sense of being willing to co-operate with the government. This is the New Year's message from Joe Morris, president of the Canadian Labour Congress:

> Looking back at the year that is about to end, I doubt that many of us will remember it with particular fondness. It was a year that began with an artificially created worldwide shortage of energy that threatened to bring about widespread hardship and increased unemployment.
>
> It was a year during which the real earnings of Canadian working people steadily declined while the profits of many corporations reached record heights. A year where the cost of food climbed to levels where many people in the lower and fixed income brackets found it difficult to feed themselves and their families. A year where unemployment continued to be rampant. And a year where the cost of housing rose sky-high and made it impossible for the majority of young Canadian families to afford a home.
>
> Looking ahead, there is little to be optimistic about for 1975. Not enough is being done to combat the many problems that beset us.
>
> The challenge to the labour movement in the year ahead is to drive hard to protect men and women workers against the blight of inflation, to stop the merciless attack on the purchasing power of their hard-earned wages and salaries.

[Mr. Saltsman.]

> Apart from the hardship inflation poses to wage and salary earners, pensioners and, in general, all middle and lower income groups, there is a definite danger that the problem may, if it is not curbed soon, destroy the very social fabric of our country and other countries almost as radically and surely as violent revolution.
>
> On the international level, the danger is that countries will take steps to protect themselves without any consideration for the damage such isolationist steps may cause other countries and the world as a whole.
>
> In Canada, individual groups may tend to look out for their own interests alone in order to protect themselves from the dangers of inflation, often unconcerned or simply unaware that by doing so they are hurting other groups, thereby ultimately hurting themselves.
>
> Such a return to the law of the jungle may become so divisive and destructive to the social conscience of individuals and groups alike that the things Canadians now share in common may deteriorate and, with them, the orderly and generally peaceful manner in which we live and conduct our affairs.
>
> With them may also go the moral obligation, the understanding and the compassion which our society, if it values itself, must have for all its disadvantaged people.
>
> The working people through their organizations must guard against becoming just another selfish interest. While continuing the struggle for a fair return for their labour, they must also continue to be concerned with social and economic justice for all those who are defenceless and have no organization to speak for them. Some we can help to become organized and gain the strength that comes from joining support by pressing for improved social legislation, by drawing the public's attention to their problems, or simply by extending to them the warmth of human friendship and understanding.
>
> As the most powerful social movement in this country, the trade union movement has always been concerned with the total human condition. Ours is a movement of compassion. In the truest sense of the word we are our brothers' keepers.
>
> During this season of good will, let us rededicate ourselves to these ideals. Let us pledge all our resources to help make Canada and the world a better place to live in, a place where justice, freedom and material necessities of life are not reserved to the fortunate few, but to all.

That is hardly the speech of a man who wanted to fight his government and did not wish to co-operate in making progress. The problem is that the government never gave the trade union movement a real chance; it never really understood what they were trying to do. The government has been unable to persuade the trade unions that its program is anything more than restraint of their wages but nobody else's. Until some assurances are given, not only in words, but until some evidence comes from the government side that in fact the government has effective ways of asking all Canadians to share equally in restraint, it is just too much for the government to expect the co-operation of this most important segment of our economy.

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I can think of no more significant day than this to speak on this legislation, the amendments thereto and on all aspects of the program as it affects the citizens of this nation. We from Altantic Canada have indicated our very real concerns over what this legislation might do to us. One of the first major decisions made by the Anti-Inflation Board was an indication to us that the concerns we had were justified, in that the board brought down its ruling in the Irving wage settlement case. In addition, it imposed a fine of $125,000, something that could not have been anticipated by anybody when the legislation was brought in, and which should not have been anticipated by anyone from the Atlantic provinces in view of the fact that it is a well known, cardinal rule of economics in this nation

that we in Atlantic Canada fall far behind the rest of the nation so far as income is concerned.

This was a company that was willing to try to assist raising the level of income in our part of Canada, yet it received a fine of shocking magnitude without there being at that time any kind of procedure for appealing the decision of the board. This is the kind of legislation we have before us, and it is the reason 25,000 people were marching outside this building today indicating their very real and sincere concern over what this legislation could do to them and their future livelihood.

● (1640)

I might say that one of the other indicators from the Atlantic provinces was touched upon in the question posed today by the hon. member for Halifax-East Hants (Mr. McCleave). He was concerned about the kind of increases people in Nova Scotia are facing in their electric power bills. When we talk about 8 per cent, 10 per cent and 12 per cent increases, that is just fairyland talk as far as the electricity consumer in Nova Scotia is concerned. People in that province are facing increases of 300 per cent to 400 per cent in their electricity bills, and there is nothing in this legislation that protects them against the horrendous increases they are being forced to pay.

Indeed, a great many Nova Scotians today, because of increases in the electric power rates, are paying more in electricity bills than on mortgages on their homes. Unfortunately, I would have to say that the Nova Scotia Power Authority sucked in very many Nova Scotians when they convinced them to put electric heating in their homes. They told them it was a great bargain. These people are now facing bills of $300 to $400 for every two-month period, just for heating their homes; and they have no alternative: it is either electric heat or freezing. For many, it is going to be freezing sooner than later because they just are not able to pay this kind of power bill.

That is just one of the facts of life in Nova Scotia today. When the employee has the opportunity to catch up a little with his counterpart in the rest of the country, he is slapped down and the company he works for is also slapped down and fined for trying to assist him. On the other hand, when it comes to paying electricity rates in Nova Scotia, the employee has to pay 200 per cent or 300 per cent more than he was previously paying, and this legislation gives him no protection whatsoever.

Mr. Paproski: Shame! How can they do that?

Mr. Coates: The game here is credibility. How can this government expect credibility when it comes in with estimates indicating a 16 per cent increase in the amount of spending it intends to do in the next fiscal year, while trying to convince Canadians that it is trying to do what it can to restrain spending in this nation? This government says it has many joint sharing programs, it has this and the other thing, but it is really doing its best to cut back. Even if it is doing its best, government spending will cost taxpayers 16 per cent more this year than it did last year. All I can say to the government is, it had better look at some of its provincial counterparts. Every provincial government that has brought down a budget lately has indicated a much smaller increase in its estimate of expenditures than this federal government. Even the rich province of Alberta has indicated its credibility by paring its expenditures in an attempt to keep in line with a concept of restraint it feels is prudent for our nation at this time. We do not see that in the proposition the government is putting forward for its spending. We do not see that on the part of the Prime Minister (Mr. Trudeau) or his cabinet colleagues in their spending programs.

Let me refer to another aspect in an attempt to project to the people of Canada that we are really serious in the concern we have about what is happening in this nation. What is this government doing in its attempt to stop inflation by restraining itself in what it is doing? There is no better indication of what is happening in the federal government regarding the concept of restraint on the part of cabinet ministers and those who work for them in the public service than the type of opulence produced in their offices and in the way they look after themselves. This has nothing to do with members' of parliament or cabinet ministers' indemnities; it has to do with the way these people set up palatial surroundings so that when they leave this bear-pit they can go back to their offices and relax. This is a degree of opulence that is not available in even the boardrooms of the biggest corporations in this nation.

An hon. Member: Shame!

Mr. Coates: This is one of the things about which the people of Canada are really cheesed-off. While the Prime Minister and his cabinet colleagues run around this country telling us we should restrain ourselves and take it easy on spending for this and that, at the same time they phone and order this and that and something else for themselves in order that they may feel better when they leave the House of Commons and go to their offices. Even worse, this is like a cancer in that it spreads and ping-pongs right down through the ranks, with everybody else in the department saying, "If they can do it, why can't I?" They suggest that if it is good for the ministers, it should be good for them.

I am glad to see the Postmaster General (Mr. Mackasey) here, because he certainly looked after himself regarding his House of Commons office. In the last two or three years he has renovated his office at a cost to the taxpayers of this country of $16,868.22. That is not bad for a fellow who is restraining himself. He is not unique in this regard. The man who really should be setting the pace, as far as I am concerned, is the Minister of Public Works (Mr. Drury). When he is not on the telephone he should be speaking to some of the people who work for him, telling them to set examples for other government departments in order that they might produce a degree of austerity that would be an indication not only to his colleagues but others in the public service. The Minister of Public Works, in the last two years, has purchased new furnishings for his departmental office at a cost of $1,527. By itself, that is not too bad; but he decided to renovate his office at a cost of $3,920. He was not satisfied with just his departmental office and thought that while he was at it he might as well renovate his House of Commons office at a cost of $7,750. His deputy minister then said to himself, I presume, "If he can do it, I can do it too," and he proceeded to renovate his office. I think he said, in effect, "double or nothing," because he

spent $15,981 to renovate his office. I guess the policy is, what is sauce for the goose is sauce for the gander.

An hon. Member: Don't speak of Newfoundland that way.

Mr. Coates: I do not know much about Newfoundland, but the poor Newfoundlanders would be shocked if they ever learned what some of these ministers are doing.

Some hon. Members: Hear, hear!

Mr. Coates: Then we have the Department of Regional Economic Expansion. The minister spent $8,540. He restrained himself, but he didn't talk to all the fellows down the line. His deputy minister decided he might as well go gung-ho and renovated his office at a cost $4,150. Then he looked at his office and said to himself, "The office does not look quite right. It has been all renovated, but we had better have some new furniture"—and he spent twice as much on that as he did on renovation.

The same sort of thing took place in respect of the Secretary of State for External Affairs (Mr. MacEachen). He was very restrained but he, too, forgot to talk to the fellows down the line. His deputy minister thought his office was not quite right, so he spent $1,200 to renovate it. He did not like its looks after he renovated it, so he spent $14,117 producing new furniture. I am sure he is now very pleased with all the classy furniture in his office.

● (1650)

The situation is different in respect of the Solicitor General (Mr. Allmand). He has been sort of frugal, but he is not around the office very much; he is away compaigning in respect of capital punishment. I suppose all he wants is one of those United States electric chairs, which are no longer in operation, so he can put it on display as some sort of a museum piece for the abolitionists in the country to look at. Maybe we can find a chair for him somewhere else outside this House. However, his deputy minister did about four times as good as the Solicitor General: he spent $5,254.88 for new furnishings for his office. I suppose he figured he needed a better office than the Solicitor General who is never around anyway.

Then there is the Minister of State for Urban Affairs (Mr. Danson) who is trying to have all the builders injected with some kind of Canadianism so they will construct buildings from which they cannot secure sufficient rent to pay for their cost. He thought he would do something to renovate his departmental office. There is a reference to lights. Certainly there is a need for light in this regard. The lights cost $2,349. The furniture to go with the lights cost $3,763.87. Then his deputy minister said, "If the minister can furnish his office in this way, I had better see what I can do." He spend $15,094 on furniture for his office.

The Minister of Veterans Affairs (Mr. MacDonald) is a very frugal man. He tried to maintain a certain degree of restraint in what he was doing. He spent $772 on his departmental office and $3,767 on his House of Commons office. But let me tell you about his deputy minister. He spent $15,000-odd in renovation and new furniture. These people have to live the right way.

[Mr. Coates.]

When we come to the Minister of Communications, that is a different story. He did not like his departmental offices at all, so he had them all redone. He spent $9,477. Let me tell you something. His deputy minister thought that if the minister could spend some $9,000 on furnishings for his office, maybe he could spend $1,484 on new furniture and perhaps people would not be too upset about it. But his assistant deputy minister did not like what he did, so he spent $20,915. That is restraint!

That is exactly what this government tells the people of Canada: Restrain yourselves and do not spend too much money. As a matter of fact, there will not be too much money for them to spend because when the government finishes its spending there will not be too much money left for anybody else.

Mr. Lalonde: Wait until I get to the offices of the Tory MPs.

Mr. Coates: I suggest to the Minister of National Health and Welfare (Mr. Lalonde) that any time he wants to, I will change offices with him and be very happy to do so.

Mr. Lalonde: You will be disappointed.

Mr. Coates: I will not be the least disappointed. As a matter of fact, it will not be long before we change offices and he will get used to the kind of offices we have now. Mr. Speaker, this is very enjoyable, but I really do not think it would be proper for me to name more than the Minister of Communications at this time. I will come back at eight o'clock and give the second chapter of the same thing.

An hon. Member: Speak to your whip about your office.

Mr. Coates: So far as the provision of offices by the whip is concerned, I am satisfied with the office I have. What I am interested in is our whip taking the office of the whip of the government party now, tomorrow, next week or whenever we have an election. It will not be too long before we will have those offices provided to us.

Mr. Guay (St. Boniface): You are dreaming.

Mr. Coates: For the Minister of National Health and Welfare, who seems to be so interested in this topic, may I say I should like him to explain to the people of Canada how much restraint there was in the $62,000 he spent on "Why not" buttons? I suggest to him there are many people in this country who would say "Why not" and give the answer in respect of the $62,000 expenditure on buttons.

Since it is getting close to five o'clock, I only have time to provide the information about the Minister of Communications. He did not like his office in the department, so he spent $9,477.

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker. Should not the hon. member make it clear that he is talking about the former minister of communications. The present minister is not a he.

Mr. Guay (St. Boniface): Apologize.

Mr. Alexander: We submit an apology. Let us have a little order over there.

The Acting Speaker (Mr. McCleave): I am not sure that it is a point of order and I am not sure it is not a point of debate. In any event, it may be recognized as being five o'clock, and that being so, pursuant to the order made on Friday, February 27, 1976, the House will now proceed to the consideration of private member's business as listed on today's order paper, namely, notices of motions.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. McCleave): Before I put the notice of motion agreed to for today, it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Perth-Wilmot (Mr. Jarvis)—Canadian Broadcasting Corporation—Reduction in farm broadcasting—Position of minister; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Health—Request for expansion of pilot project for school milk program; the hon. member for Halifax-East Hants (Mr. McCleave)—Transport—Proposed removal of subsidy on export flour—Request for reconsideration.

PRIVATE MEMBERS' MOTIONS

[*English*]

HOUSE OF COMMONS

SUGGESTED INVESTIGATION BY COMMITTEE OF ROLE OF SENATE

The Acting Speaker (Mr. McCleave): It is the understanding of the Chair that notice of motion No. 2, in the name of the hon. member for Hamilton-West (Mr. Alexander), notice of motion No. 15, in the name of the hon. member for Hamilton-Wentworth (Mr. O'Sullivan), notice of motion No. 19, in the name of the hon. member for Laprairie (Mr. Watson), and notice of motion No. 20, in the name of the right hon. member for Prince Albert (Mr. Diefenbaker), shall stand at the request of the government.

Some hon. Members: Stand.

Mr. David Orlikow (Winnipeg North) moved:

That, in the opinion of this House, the government should give consideration to the appointment of a special committee of this House which shall have the power to hold hearings in various parts of Canada, take testimony and hire experts, with the following terms of reference: That it shall examine the role of the Senate within Parliament and its general constitutional functions and report with recommendations on whether the Senate should continue as it has been and is, or whether it should be abolished (and, if so, by what means) or whether some form of reformed Senate is worthwhile (and, if so, what reforms).

● (1700)

He said: Mr. Speaker, I am certain that members of this House will be surprised if I begin my short speech by making it very clear that personally I would prefer to see the Senate abolished.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Orlikow: However, I am extremely doubtful that such a proposal would meet with the favour of members of this House, either government members, some of whom hope to be appointed to the Senate in the very near future, or members of the official opposition who might hope to be appointed to the Senate in a few years from now. So because I do not believe that kind of motion could carry, I put forward a much milder resolution which is simply to suggest that a House of Commons committee look at the whole question of the Senate as it is now constituted, the role which it plays and the role which a reformed Senate, if such a thing is possible, might play.

If one were to make a study of second chambers which exist in the various countries in the world, one would find a number of things. First of all, we would find that second chambers have disappeared in many countries, and have disappeared in all provinces. I think there were five provinces in Canada which originally had second chambers. They have disappeared because the original idea of a second chamber, which developed when the parliamentary democratic system was being established, was that somehow the voters could not be trusted to choose a group of representatives who could really manage the affairs of the country, and that you had to have some second chamber constituted of wise, older people who could at least give second thought to the proposals being made by the elected representatives.

Those second chambers are disappearing in many countries and in many jurisdictions, and in all of them I know, with the exception of our Senate, the powers of the second chamber have been sharply limited. The best example I can give of that is the British experience beginning many years ago but certainly while Lloyd George was chancellor of the exchequer back in the early part of the twentieth century, around 1910, when he had, for that time, pretty drastic tax proposals to make which the House of Lords were opposing and which they had blocked for several years. The British government of the day got its legislation through by warning the members of the House of Lords that, if necessary, they would appoint a sufficient number of new members to the House of Lords who supported their proposals so that the legislation could be passed. From that day until today, gradually the power of the House of Lords in Great Britain has been whittled away. Most recently, the power of even delaying money bills was taken away from the House of Lords in Great Britain.

What was the original reason for having a Senate in Canada? MacGregor Dawson, in his definitive book on the government of Canada, in the chapter on the Senate, quotes Sir John A. Macdonald in the confederation debates as saying the following:

There would be no use of an Upper House if it did not exercise, when it thought proper, the right of opposing or amending or postponing the legislation of the Lower House. It would be of no value whatever were it a mere chamber for registering the decrees of the Lower House. It

must be an independent House, having a free action of its own, for it is only valuable as being a regulating body, calmly considering the legislation initiated by the popular branch, and preventing any hasty or ill-considered legislation which may come from that body, but it will never set itself in opposition against the deliberate and understood wishes of the people.

If we applied that definition of the role of the Senate to the history of the Canadian parliament in the last 25 years at least, we would have to come to the conclusion, whatever our party affiliation, that the Senate has no real function. In the same chapter dealing with the Senate, MacGregor Dawson lists some proposals for changing the character and the function of the Senate, as we know it, as follows:

(*a*) the senators should be elected, directly by the people, or indirectly by some other body; (*b*) they should be partly elected, partly appointed; (*c*) there should be a fixed and limited term of office; (*d*) senators should be retired at a definite age; (*e*) the powers of the Senate should be limited like those of the House of Lords—

It seems to me that the only change that we have made in the power of the Senate is the one dealing with the age of retirement. In 1971, Senator Ernest Manning, who was premier of Alberta for over 25 years, was interviewed on CTV on the program "Question Period." They were discussing the role of the Senate, and Senator Manning said:

If the government's position is, and the House of Commons' position is, that the Senate really has no meaningful role then the proper thing for them to do is move for its abolition and not play games at the public's expense. It either has a meaningful constitutional role or it hasn't.

Should the Senate defy the House of Commons? My answer ... would have to be "no". The basis of our democratic system is that the people whom the citizens elect are the ones who have the right to determine what will become of the laws of the country. No appointed body has the right to override the decision of the elected representatives.

The Senate has not done that. Do they have a role? I suggest that they have the power to block, to amend or to refuse to pass any and all legislation enacted by the House of Commons. The fact that they have not used that power, I submit, is to a large extent immaterial because there is no reason to believe that, given a House of Commons elected by people to change things very substantially, the Senate could not, if it wanted to, change or amend important legislation. The Senate is undemocratic. Its members are appointed until they reach the age of retirement. It is filled with members who have been active in politics for one or the other major parties. It is filled with members who have been elected, have run for election or have been financial collectors for the parties. The Senate is filled with people who are directors of important corporations. Senators who are directors are on committees which deal with legislation which affects the companies of which they are directors. Not so long ago, the chairman of the Senate Banking Committee which met to consider the application of a group which wanted to establish a bank was himself a director of a bank.

● (1710)

One of the best and most forceful critiques I have ever heard made of the Senate was by a man who is now a senator. At that time, Professor Eugene Forsey said, and I quote from a couple of paragraphs of an assessment of the Senate which he made about 20 years ago in the mid-1950s but everything he said then is still true:

The Canadian Senate is one of the most thoroughly undemocratic bodies in the world, and has far larger powers than many Canadians suppose.

Senators are appointed, not elected. They hold office for life. They cannot be removed, except by the Senate itself.

The Senate can amend any bill whatsoever, including a money bill, and go on throwing it out, as often as it likes; ten, twenty, fifty, a hundred, a thousand times. There is nothing in Canada corresponding to the Parliament Act in Great Britain.

He went on to compare the Senate with the British House of Lords and said:

The House of Lords' veto on legislation is only "suspensive", temporary; the Canadian Senate's veto is absolute.

Even apart from the Parliament Act, the Lords' veto can be overridden by the creation of extra peers, as many as may be necessary. The Lords can be "swamped" ... The Canadian Senate cannot be swamped.

It used to be said that we should not get very excited about the Senate, because prime ministers use vacancies in the Senate to appoint party faithful and cabinet ministers who have outlived their usefulness, and to make things easy for them. But in recent years that is not what has been happening. In recent years a substantial number of people have been appointed to the Senate who are, to say the least, relatively young. Let me mention just a few: Senator Davey, Senator Austin, Senator Everett, Senator Buckwold.

I am not suggesting for a moment that all senators are incompetent, nor am I suggesting that all senators are disinterested. As a matter of fact, at least three of the four I have mentioned are young, active, aggressive and competent. Some senators have done some very useful work. Without going over all the senators, let me mention a few of them. Senator Croll has chaired two Senate committees which have done very useful work. The committee on aging and the committee which dealt with poverty both produced excellent reports.

Senator Lamontagne chaired a committee which held hearings and gave very careful study to the question of a science policy in Canada, or I should put it in a more precise way and say the lack of a science policy in Canada. I cannot say that I agree with every recommendation which they have made, but they were certainly worthy of careful consideration. Senator Everett chaired a committee on finance and economic policy which heard some very impressive and useful witnesses. Senator Buckwold is now chairing a committee—not a Senate committee—which is involved in planning for the Habitat conference in Vancouver. All these committees have done useful work. The tragedy is that the government has paid virtually no attention to any of these committees.

Mr. Lachance: That is false.

Mr. Orlikow: The hon. member says it is false. I invite him to get up and talk about this in detail.

Mr. Lachance: I will do that.

Mr. Orlikow: Let us examine this. Senator Croll's committee documented the extent of poverty in this country. We can differ on the definition of poverty, but whether we use the definition of Senator Croll or the definition of the Economic Council of Canada, it is clear that between 25 per cent and 30 per cent of the people in Canada, by any

definition hon. members want to use, are living in poverty. However, if we look at the statistics issued by Statistics Canada every year on the income distribution in this country, we see that the bottom 20 per cent of our income earners got a smaller percentage of the gross national product in 1974, which is the last year for which we have figures, than they got 25 years earlier. They got about 4.3 per cent of the gross national product 25 years before 1974, and they got just about two-tenths of 1 per cent less in 1974. So I say that we have done nothing about poverty, despite an excellent report by Senator Croll.

If the hon. member wants to question my statement that we have no science policy, I advise him to ask for, as I have done, the correspondence which the Prime Minister (Mr. Trudeau), the Minister of National Health and Welfare (Mr. Lalonde) and the minister in charge of science policy have received in the last couple of months about the lack of funding for scientific research and medical research. Close to 500 letters have been received by those ministers from scientists all across this country.

With regard to housing, there is no question that we have not provided affordable housing for the people in the bottom 40 per cent of the income bracket in this country. So I say that these senators who have done a commendable job have had their advice virtually completely ignored. That is why I say that the Senate as we know it today performs no useful function.

I go along with the sentiments expressed by Professor Forsey before he became a senator. He both questioned and rejected the idea that a reformed Senate could play a useful role in the democratic system of government which we have in Canada. But as I said at the beginning of my speech, I know very well that any proposal made by any member of parliament or any person outside parliament that the Senate be abolished would be rejected by the members of this House of Commons. I will not now speculate as to why they would reject. I simply make the assumption, and I am sure I am correct, that members of this House would not vote for a resolution to abolish the Senate.

So I have made a practical proposal, which is that if we are to have a Senate, as we have had since Canada became a country, if we are to appoint people to the Senate, and if we are to pay the expenses of maintaining the Senate, we ought to have a very careful look at the role of second chambers. There is a second chamber in Great Britain, in France, in Italy and in Germany. It may be that their second chambers are much more effective and useful than ours. It might help if we appointed people to our Senate for a fixed period of time. It might be useful if we let the provinces recommend a certain percentage of the people for the Senate. I do not think it is my job, and I certainly would not have the time, to list all the possible changes which could be made. I simply say, as have many people inside and outside this chamber over the years, that the Senate as it is constituted at the present time simply cannot, and does not, do the job which a useful second chamber should and could do.

● (1720)

That being the case, it is my suggestion that a parliamentary committee should look at the question, should hire people expert in government to research the subject and should travel across the country, and possibly to other countries, to look at what other second chambers do and how they operate. If such a committee were appointed and took its job seriously, as I think it should, it could come back with proposals which would have merit and which I hope would be adopted by the House of Commons. Necessary constitutional changes could be made and we could, if we need a second chamber, have one which would perform a useful role.

Mr. Speaker, I close by saying that the work of governments of the world and our country become more complex as government becomes more difficult and time-consuming. We could use some help, and if we had a second chamber with a real role to perform in this country, we would get it.

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, this is a subject which has been canvassed a good many times in this House over the years. In fact, I think one might say at a guess it has probably been debated more often here than in the other place, though it is also true there have been some very interesting debates on reform of the Senate sponsored by the other place itself. For example, I read an excellent address by Senator Croll two or three years ago in which he and other senators presented plans for reform of the Senate. Senator Croll's plan in particular was a very detailed one.

To this House the subject is a bit "old hat." I do not think we should overlook the originality of today's proceedings, however. I think we see a real step forward in our debate today, because the hon. member for Winnipeg North (Mr. Orlikow) has broken with the tradition of his party. He is now not only taking the absolute position that the Senate should be abolished, but he is coming to terms with reality, as he might have put it himself, and is suggesting that there is perhaps indeed a role for the Senate.

Mr. Knowles (Winnipeg North Centre): But he has got abolition in the motion.

Mr. MacGuigan: I know the hon. member for Winnipeg North is a man of great courage, but I do not think even he, because of his close association with the hon. member for Winnipeg North Centre (Mr. Knowles), has the kind of courage which would enable him to bring forward a motion such as this unless it also had the support of the hon. member for Winnipeg North Centre. I do not think he would want to face the charge of revisionism which he would encounter. I can only believe this indicates a fundamental change, a new look on the part of our socialist friends opposite, a coming to terms with reality. Perhaps it will be expanded shortly to other areas as well.

Mr. Knowles (Winnipeg North Centre): Carry on, senator!

Mr. MacGuigan: We are holding the post of Speaker of the Senate at some future date for the hon. member for Winnipeg North Centre.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): That is an unfriendly remark.

Senate Reform

Mr. MacGuigan: Mr. Speaker, I think the hon. member for Winnipeg North was mistaken in one respect. Much in his address was worth while, but I think there was a certain misconception of the original and fundamental purpose of the Senate. He spoke of the fact that second chambers around the world are disappearing. That is true, of course, but it is not true that they are disappearing in federal systems. In federal systems the role of second chambers is as strong as ever. That, of course, is the principal justification for having a Senate in Canada. It is not merely for the sober second thought, the review by an upper house, with presumably more time and, some might claim, more ability to review the decisions of this House; the more important point is the fact that in the Senate we have representation by region—representation which can give acknowledgement to interests of various parts of the country that would not occur on a strictly representation-by-population basis.

The hon. member quoted Sir John A. Macdonald and his views on the origin of the Senate. I think it is worth-while putting on record the views of the famous Grit of that day, the Hon. George Brown. Speaking in the debates in the House of Assembly in 1865 after the resolutions that had their genesis in Charlottetown and which subsequently were approved in Quebec, he said:

> The very essence of our compact is that the union shall be federal and not legislative. Our Lower Canada friends have agreed to give us representation by population in the Lower House, on the express condition that they shall have equality in the Upper House. On no other condition could we have advanced a step—

I think it is clear in the viewpoint of George Brown—and it is the viewpoint of most historians today that this was one of the crucial steps toward confederation—that in the Upper House representation would be on the basis of region and that would give protection to the maritimes and to Quebec which would not otherwise be there.

Parenthetically, it is rather unusual for a federal union to have representation on the basis of a whole region. I believe in all the other federal systems where there are upper houses, which I think is about all of them, representation is on the basis of the constituent governmental unit; that is, on the basis of the province or state rather than on the basis of region. In Canada it is only in the case of Ontario and Quebec, and I believe Newfoundland, that we have representation on that basis; for other provinces it is a regional concept.

I think it is important to understand that our purpose in having a Senate is primarily that of protecting regional interests and not of reviewing legislation already adopted by this House. Occasionally it is true the Senate makes a real contribution to the legislation passed by this House by way of correcting it in matters of detail. For example, there may be revisions made by the Senate to one of our pieces of legislation which will be coming back to this House for reconsideration. I do not think anyone would deny that in matters of this kind the Senate can make a real contribution.

In wider investigations in recent years the Senate has also proved itself to be extremely valuable to our political system. As the hon. member for Winnipeg North mentioned, Senator Croll has been particularly prominent in leading several Senate committees to reports which have been of great value in the subject areas with which they dealt. Further, with respect to certain bills which have been introduced in this House and have not been introduced in the Senate, the Senate has held hearings at the same time as ours which have enabled them to proceed with the bill more quickly later, and, in the case of income tax legislation, they have been able to provide helpful suggestions. There are also cases where legislation which has not yet been introduced in this House has been introduced in the Senate, and as a result of Senate consideration it has been decided by the government that there are great areas of the act which should be changed. I think of matters like the new bankruptcy legislation where the Senate investigation last year proved so valuable to the government and to this House.

[Mr. Knowles (Winnipeg North Centre).]

The Senate does, then, make a real contribution to the legislative process, but I think we would all regard it as intolerable if the Senate were to set itself up in an undemocratic fashion to try to determine by a second look what members of this House should be passing as legislation. After all, we are the people elected by the citizens of Canada—by those who have the right to vote in Canada—to determine what the policies and laws of this country should be. We could not accept any challenge from an appointed Senate on this point.

This accounts for the fact that in 1973 or 1974, when a change was made by the Senate to the wiretapping legislation passed by this House, legislation which was the result of a deliberate enactment of this House and not an oversight, when the Senate presumed to challenge that, even those of us who had been on the losing side of the vote in the House of Commons united to defeat the attempt of the Senate to change the will of this House as expressed by its elected representatives. I think all parties would agree this is not the kind of Senate we would like. We must approach any Senate reform with this in mind. I think it is not always understood by witnesses who appear before parliamentary committees and by those who would change the Senate system.

● (1730)

As a matter of fact, when the joint House and Senate Committee on the Constitution of Canada held hearings across this country we heard a good many witnesses in general, and in particular, on the Senate. I do not recall the exact number of witnesses who spoke on the Senate, but there were some 13,000 people at those meetings across Canada, and 1,486 witnesses on various questions dealing with the constitution. My recollection is that the Senate was one of the subjects most frequently treated by the witnesses who appeared before that committee.

Sometimes the proposals they made were proposals which would have strengthened the Senate as an opposing legislative body to this House and, therefore, would not have been acceptable to us as a means of reform. I would include in those suggestions the proposition that the upper House should become an elected House and, therefore, have a real elective power which would enable it to challenge the decisions of this House. It is true that in one federation, Australia, that is the way the system functions. Their upper House is elected as well as the lower House, but it is questionable if their system gains very much from that.

As we have seen with the constitutional struggle in Australia in the last two years, there are many problems which result from this kind of arrangement, and I do not think we would want to make such a fundamental change in our system. With responsible government and the government being responsible to the lower House, it is appropriate that only that House should be elected, and that that House should make the basic determination of policy.

There are a number of areas in which I think we might reach some agreement across the Chamber as to what changes might be made to the Senate. The hon. member for Winnipeg North mentioned the power of the Senate. The constitution committee recommended that the Senate should have no more than a suspensive veto, that it be able to give a kind of six-month hoist to bills, but that if the House of Commons chose to pass a bill again after six months, it would then become law with or without the consent of the Senate.

There would probably be general agreement in this House on that kind of proposal. In fact many members would probably feel that a period of six months is too long and that the longest hoist the Senate should be able to give a bill is three months. Therefore the suspensive veto would be three months rather than six. That may be a matter of detail, but I think there would be very general agreement here that a change of that kind should be made.

There have been proposals for changes in the selection of Senators. The present selection, as we know, is by appointment of the government in Ottawa. There have been proposals that half of the Senators should be appointed by the provincial governments.

The constitution committee adopted a medium solution. While the provinces would not appoint Senators, and Senators would continue to be appointed by the federal government, half would be appointed from a panel drawn up by the provincial governments. They would be drawn from the group of nominations made by the provincial governments, but the actual power of appointment would remain with the federal government. Undoubtedly there are a number of members who would like to move in that direction.

There might be general agreement as well that 70 be the final retirement age rather than 75. Some feel that would be a good point at which to express our gratitude to the Senators for their active service and to allow them to serve in a different way. The constitution committee suggested that different way might be one which would allow Senators to continue to serve without pay and without official voting status. They would, in a general way, still be considered advisers to parliament, have the right to appear on Senate committees, and take part in the hearings so as to make contributions. Therefore a method might be found to enable Senators to make a contribution after their mandatory retirement age had been reached.

One of the crucial questions as to the actual provisions concerning retirement would have to do with whether or not there should be a term appointment. At the present time Senators are appointed until age 75. I have suggested that could be until age 70. However, even that would probably not go as far as many members of this House would wish to go.

It has been proposed that Senators should be appointed for a five-year, seven-year or ten-year term. My own feeling is that Senate appointments should be on a term basis, but that the term should be slightly longer rather than slightly shorter. I would favour a ten year, rather than a five year or seven year term.

Mr. Knowles (Winnipeg North Centre): Certainly not a 40 year term.

Mr. MacGuigan: No, not a 40 year term. I prefer a longer term because it would be difficult to get people to accept a position in the Senate if the Senate had even less legislative power than it now has, and appointments were only for a five year period. People would not want to disrupt their other career at its height—and we would want people to come in at the height of their powers—for only a five year period. That might not be worthwhile for those being appointed.

I suggest we would be more likely to have a wide choice of appointees if we had a seven or even ten year term as an inducement. That might also be beneficial because, every five or ten years in this House, there is a fairly extensive change of personnel. In fact we know from our statistics that after every election there is a substantial, usually involuntary change as far as membership of this House is concerned. If you adopt the longer period, a Senator's term would not come up for renewal before the same people who initially appointed him or her. With a ten-year term there might be an entirely different cast of appointers. Therefore a different kind of judgment would be brought to bear, one which might be more objective and perhaps more strict than reconsideration by those who made the initial appointment. There would be other advantages as well.

These are details that could be canvassed one way or another with respect to changes in the Senate. However, in all of these changes we have to guard against a Senate that will become so active that it will want to challenge the powers of this House. On the other hand, if we are not to have a Senate that is any more active than it is now, it really is not going to be able to safeguard regional interests very well.

One consequence of a suspensive veto, especially if it is for only three months, and that would not be a very large inhibiting factor with regard to government legislation, would be that the Senate would likely use its suspensive veto much more often than it now chooses to delay a bill. This change would probably remove the Senate's inhibitions, and it might act much more callously toward government legislation than it now does. While this may not be very palatable to governments or members of this House, unless we are prepared to have a more active Senate, one which will exercise its powers on more occasions than it now does, there is no point in changing its present powers, because any change in the direction we have been talking about would certainly mean a Senate which wants to exercise its powers more frequently. We would have to accept that as a consequence of the changes we would make.

I would personally like to see changes with regard to regional representation in the Senate, which I talk of as being the great justification for the Senate's remaining as part of our system. However, the amount of representation

which we now have is not satisfactory to the western provinces. They have a real grievance. The western provinces, with a total of only 24 Senators, do not have a sufficient counterweight to balance the 24 from Ontario, 24 from Quebec, and 30 from the Atlantic provinces.

I very strongly support the recommendation of the constitution committee that the number of Senators from the western provinces should be doubled from 24 to 48; 12 appointed from each of the prairie provinces and 12 from British Columbia. This would provide a much better balance in our system than we now have. It would allow western Canada which, if we speak of alienated regions of the country is the region about which we hear that term used most frequently, to feel it has more input into the legislative process than is now the case.

Mr. Knowles (Winnipeg North Centre): Could you find 12 Liberals in Alberta?

Mr. MacGuigan: Just wait until the next election and we will find lots of Liberals in Alberta.

I see my time is almost up, but there is one other point I should like to make. I do not think we want to conduct the hearings of the constitution committee all over again. We have heard more than 1,000 witnesses already. We surely do not want another committee which would travel across the country and go through all that again.

What is needed now is a decision. Whether that decision should be reached through a committee or whether it should be made by the government is for hon. members to say, but I do think we ought to avoid the expense and the time of going through the whole process again before arriving at a conclusion when the groundwork has already been laid and all that remains is the need for a decision.

● (1740)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to make a few remarks on the motion before us relating to the appointment of a special committee of this House to examine the role of the Senate within Parliament.

Mr. Speaker, I think this motion deserves a lot of consideration, and as far as I am concerned, I shall be brief so that it may be passed by Parliament and a committee appointed to make an in-depth study of the role of the other House within our Parliament.

The motion raises a question: Should the Senate continue as it is now? In my view, the answer is no. Major changes should be made. It is not that I have anything against any senator, absolutely not. I have very good friends in the Senate. I have come to know some senators quite well from meeting and talking with them and they deserve great praise for the way they do their work.

Now, Mr. Speaker, the government does not always accept the recommendations made by the other place, particularly in the case of Senate committees which work in a normal fashion, travel across the country and report to the House.

I have in mind the committee on poverty, whose members went throughout all Canada to study the circumstances of Canadians, see whether there was poverty across Canada, determine what are the causes for this poverty and on what level this poverty is found. The president of this special committee of the Senate, Senator Croll, has presented his report, a tremendous report, but to my knowledge, the government has never taken their inspiration from this committee's report. Thus, the Canadian taxpayers' money has been spent for absolutely nothing, although this committee's report contained tremendous recommendations which should be implemented and be enacted by Parliament. They were not implemented. What is the use then of spending money to send our honourable friends of the other House all over Canada to study some particular matter, if we do not use that study afterwards? Now, Mr. Speaker, I think that even after that study was made across Canada, poverty is still with us. All kinds of charitable organizations try to help the victims of poverty and it seems that the government, with the provinces, is considering the implementation of a guaranteed minimum income plan. But all that is going at a snail's pace, it is not going very fast. Poverty is leaving us behind, poverty is going faster than our legislation.

That is why, I suggest, we see in Canada a very serious situation and discontent. While I was on my way to work in Ottawa today, I heard on the radio a program on the causes of delinquency. People were asked their opinion on the legislation now before the House, that is if we should maintain or abolish capital punishment. What leads some people to murder? The main reasons given were economic and social conditions which are not equal to economic possibilities. That then is what explains why some people are guilty of housebreaking and murders. Those are some of the remarks I heard over the radio this morning on my way to Ottawa.

In any event, Mr. Speaker, I feel we should study those questions more seriously, taking into account the recommendations, the reports made by the members of the other House when we entrust them with a job. If we have no intention of changing our attitude, if the government refuses to change its mind, then I feel the Senate has no useful role to play.

At times we get bills from the other place. That procedure always astonishes me, that bills should be introduced in the other House and then come to us for study or approval. More often than otherwise, those bills concern economic, financial or big business matters. We therefore find ourselves in the situation where we wonder why such and such a matter was accepted by the Senate. Should we accept it or reject it? We thus have to work even harder trying to find out why the other place passed such and such a bill we are sent later on and asked to accept.

We, of the Social Credit Party of Canada, have an item on our program concerning the other House.

● (1750)

We should try to improve the other place to make it more efficient, more apt to give better services and to prevent it from being a mere refuge for political appointees.

In this regard, I must congratulate the right hon. Prime Minister (Mr. Trudeau) who changed a little the usual practice two or three years ago. I think this was due because in the other House there should be a balance

between the political parties in Canada so that the Senate really represent the opinions of the Canadian people as a whole.

I congratulate the Prime Minister for having sought appointees from outside the ranks of the Liberal Party, but this does not settle the problem. We of the Social Credit Party have a very concrete suggestion in our program: one third of the appointments to the Senate should be made by the federal government, one third by the provinces and one third by the intermediate bodies so that the provinces are consulted when it comes to appoint people to the Senate. That way, the provinces would be in consultation with the federal government about the possibilities of having some protection in this Parliament on the Senate side to safeguard the rights of the provinces.

Automatically, we would have fewer useless discussions concerning that famous constitution we want to repatriate. Some time ago I asked the Prime Minister when it was expatriated? Repatriation supposes expatriation. Since it was not expatriated how do you want to repatriate it? I would be in favour of leaving it there and making a constitution of our own, a Canadian constitution.

Indeed I think that with the reform of the Senate if it were possible for senators to be appointed one third by the federal government, one third by the provinces and the other third by intermediate bodies we would really have a House representative of the interests of all the people and when our bills would be introduced in the other House we would have people qualified to analyze them, to take into consideration the interests of each and everyone, of intermediate bodies, the provinces and the Parliament of Canada.

Mr. Speaker, those are the few remarks I wanted to bring quite sincerely to the attention of this House in support of the motion now before us. I hope it will be passed, that the committee will be appointed, and that it will function normally as soon as possible so we will stop talking about reforming the Senate and proceed with that reform, that it will be given new means of fulfilling its role properly, being efficient, for the benefit of all Canada.

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, it is with some reluctance that I decided to take part in this debate because I for one think that the matter of the Senate has been settled once and for all, both by the report prepared by the joint committees on the constitution and by the many reports of constitutional conferences that took place at the end of the sixties.

That being said, I would not like either to go into historical considerations which prevailed in 1867 when that body called the Senate was created, at a time when Lower Canada was expressing very strong reservations about the fact that there was only one elected House and that the rights of Lower Canada and those of the Maritime provinces could suffer from that. It was then asked for the creation of a body whose members would be designated by the government, one that would represent the regions and ensure the protection of the rights of the minority.

I will not enter into the arguments put forward by the hon. member for Windsor-Walkerville (Mr. MacGuigan) regarding the internal operations of the Senate and the many amendments pertaining to its operations or even its reform which have been presented by the constitutional affairs committee and which were also suggested in the course of certain debates in the Senate by the senators themselves, as they are very concerned with the welfare of their House. For example, on March 13, 1973, there was a debate there during which Senator Croll to whom reference was made previously, made very valuable comments on the future of the Senate such as he viewed it.

Therefore I will not enter into those arguments, since the hon. member for Windsor-Walkerville gave us many details and many patterns according to which the Senate might evolve. Instead I shall lay the emphasis on the present operations of the Senate such as they affect us as members of this House.

The fact is that for many years, I can even say over the last fifty years, the Senate has been the target of many criticisms and rightly so. The then prime ministers had the unfortunate habit of systematically appointing to the Senate members of the party in power, which resulted in reducing the degree of competency to a lower level, when those members of Parliament or organizers were appointed only for the political favours they provided. But we must pay tribute to the last three or four prime ministers, particularly to the present Prime Minister (Mr. Trudeau), who brought some changes in the way of viewing the Senate and the appointments to the Senate.

Indeed, they chose a new procedure, namely appointing resource persons, people from the community. The best example I have in mind is the appointment of the current Speaker of the Senate, the hon. Renaude Lapointe. Those are people who left their marks and who were working in the world of business. Some of them were working for the protection of the consumers, others for the press, as in the case of Mrs. Lapointe, others were involved in mining or in the legal sector, and many other fields of endeavour.

And that way, I believe, we now have a Senate with a degree of competence that all Canadians should be proud of. The Senate is now a resource organization that can be relied upon because it is composed of people with a very high degree of competence, and I can say that when I have problems dealing, for instance, with the Canadian constitution, I readily request the advice of the Senator Goldenberg or Senator Forsey who are people with a really penetrating knowledge of the constitution, or of labour relations in the case of Senator Goldenberg.

As a matter of fact, I think that over the past few years, especially with studies by numerous joint commissions and also by Senate commissions, and reports such as the one on poverty by Senator Croll, the one on the broadcasting policy, and others, the Senate has, as people say in Quebec, "gagné ses épaulettes". And this is the aspect, I think, we ought to dwell on. The Senate is in the process of proving itself as an institution and I do not think that it should be abolished at this time. We can say there is room for improvement. I must admit that this is true but no so much to increase its power. I think the Senate has enough power at the present time to fulfill its mandate. We should rather facilitate its relations with the House of Commons.

In fact, we quoted earlier the hon. member for Winnipeg North (Mr. Orlikow); we also quoted Senator Forsey who in 1955 or so eagerly criticized this very institution. I want

to tell him only one thing: only fools do not change their mind. Mr. Forsey, who is now a senator, stated this in 1973:

[*English*]

The Senate as now constituted does much good and is politically too weak to do any serious harm.

What good?

First, detailed revision of legislation, with an opportunity for all interested parties to have a full hearing. The Senate has an immense reservoir of legal and administrative talent and experience, and its committees do this revisory work efficiently, thoroughly and cheaply.

Second, investigation of public problems. Senate committees do a great deal of this, and, again, efficiently, thoroughly and cheaply.

Thirdly, if ever an emergency arose the Senate would be a great help in resolving it.

[*Translation*]

Mr. Speaker, for the remaining time allotted to me, I would like to answer the hon. member for Winnipeg North who asked a while ago what the Senate did which had a direct impact on the legislation here in the House of Commons. I would like to read him a letter from a law student in answer to some criticisms. He said that eligibility for old age pension benefits had been reduced from 70 to 65 because of a report of the Senate on poverty.

Mr. Speaker, I notice it is six o'clock.

[*English*]

The Acting Speaker (Mr. McCleave): Order, please. It now being six o'clock I do now leave the chair until eight o'clock, when the House will resume consideration of Bill C-89.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Béchard: Mr. Speaker, I rise on a point of order. I should like to have the unanimous consent of the House to revert to routine proceedings for the purpose of presenting a committee report.

Mr. Knowles (Winnipeg North Centre): Agreed.

The Acting Speaker (Mr. Boulanger): Does the House give unanimous consent?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

FISHERIES AND FORESTRY

Sixth report of Standing Committee on Fisheries and Forestry.—Mr. Béchard.

[Mr. Lachance.]

GOVERNMENT ORDERS

[*English*]

ANTI-INFLATION ACT

MEASURE TO ADD NEW DEFINITIONS

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-89, to amend the Anti-Inflation Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, at five o'clock I was discussing some of the reasons why people in this nation just cannot take the government seriously when it talks about restraint. I was placing before the House some examples that I feel show the people of Canada just why they should not take the government seriously when it tells them they should restrict their spending. These are the kinds of examples being set by the ministers, their deputies and their assistant deputies, all of which lead one to believe there is no credibility at all to be associated with what the govenment proposes and does at this moment in time.

When the proceedings were interrupted at five o'clock I was talking about the Department of Communications, and I pointed out some of the expenditures which were taking place in that department, and which would lead one to conclude that unless government ministers are willing to set some kind of positive example there is no way we can hope to bring government spending down to realistic levels.

The government tells us that even in this year of restraint we can expect to face at least a 16 per cent increase in government spending. That 16 per cent, I suggest, will be followed by supplementary estimates, and there is no way of knowing at this stage of the game just what that 16 per cent increase will end up actually being at the end of the next fiscal year.

Let us consider again the Department of Communications. We see that the minister spent on her departmental office, for new furnishings I would presume, $9,477.92. I guess the deputy minister felt he should spend a little bit himself. He was very gentle and only got a little new furniture at a cost of $1,484.80. That did not stop the assistant deputy minister from going to work. He looked at the offices of his minister and his deputy minister and ordered himself $20,915.92 of new furniture. He now has the right kind of environment to sit down in and consider the Anti-Inflation Board proposals before him. He will be able to communicate like nobody in this world with that kind of furniture.

Even the Minister of Fisheries (Mr. LeBlanc) has not been left out. He was pretty careful and did not spend anything on either his departmental office or his House of Commons office, but I guess his deputy felt that since he was new to the game he really should have some new furniture to brighten up his office in order to get the cigar smoke out which was left by the former deputy minister. He spent $5,911 on new furniture.

Next we come to the Minister of Industry, Trade and Commerce (Mr. Jamieson). He is a mover and supposed to

be a doer, although there is no example of it when you look at the figures these days. He decided he needed his departmental office fixed up a little bit, and he spent $5,200. His deputy looked at things and decided he needed new furniture himself, and he spent $6,000.

● (2010)

Lo and behold, the assistant deputy minister, looking at what the minister and the deputy minister had done, went whole hog. He spent $13,973 on new furniture, and an additional $14,501 on renovations. So he is pretty well set up. We have quite a mixture here.

Let me go to Justice. Of course in that department they are preparing a new package and so on. They must look smart because they are anticipating interviews and so on with people. Justice is broken down between the previous minister, the present Minister of Transport (Mr. Lang), and the present Minister of Justice (Mr. Basford). It is shown here that the previous minister spent $10,738 on his ministerial department and that his deputy minister—I do not know whether it is still the same one—followed along and spent $7,287. The present minister did not spend anything, but let me tell you that his assistant deputy minister made up for it. He spent $32,327 on new furniture alone. Let me tell you, Mr. Speaker, there is one thing that is certain. The furniture manufacturers in this country—if it is Canadian furniture that is being purchased, and I would not be sure of that—are doing well these days with this government in office. Few manufacturing firms will vote against this outfit regardless of price restraint or any other kind of restraint.

Now, let us go to the Minister of Labour (Mr. Munro). He has been through some difficult times. He spent a good deal of time in his office not too long ago. He was anticipating what would be happening in the days ahead. I am sure he is still anticipating what will happen in respect of the SIU. He did not like either the office the way it was or the furniture, so he spent $5,389 on his House of Commons office insofar as renovations are concerned. Then, when he had done that, he did not like the way the office looked and spent an additional $12,814 in order to be sure that he had the proper furniture for his new office.

Now we come to the Minister of Manpower and Immigration (Mr. Andras). Manpower and Labour really should be together. He did not want to be outdone by his colleague the Minister of Labour. He said to himself, "Well, if the Minister of Labour can spend $4389 on renovations I see no reason I should not spent $6,150," which he did. Then he decided that if the Minister of Labour could spend $12,814 on furniture there was no reason why he should not have better furniture because he would be taking over the other minister's job anyway. So he spent $19,020 on furniture.

Then the assistant deputy minister of manpower, looking at his minister, said that there was no reason if the minister could have it that he should not have the same thing. He was very good in respect of renovations. He spent only $305. However, he did not like the way the office looked. The furniture did not fit his point of view. He did not want to be quite as gregarious as the minister so he just spent $11,470 on new furniture.

We have a new Minister of National Revenue (Mr. Cullen). He went into that office and thought that it should be dressed up a little. The departmental office was not to his liking. He decided to spend $5,500 to have that office straightened out to his way of thinking. His deputy minister said that the minister was new to the game, decided he rated twice as much as the minister, and spent $11,600. The assistant deputy minister decided he was not quite as good as the deputy minister but was just as good as the minister, and therefore spent $6,735 on renovations for his office. They are not doing too bad. These people who are restraining themselves and trying to set an example for the Canadian public are spending about $23,000 and are saying that this is the way you are supposed to restrain your expenditures.

This document I have shows the name "Marchand". I am not sure where he fits in in all this except for the fact that he really likes to have things done up for himself. He is the biggest spender of all by far. The amount shown for renovations is $24,357. If one is to have such renovations one must also have a palatial office and palatial furnishings, so $20,000 was spent on furnishings.

The Acting Speaker (Mr. Boulanger): Order, please. I think the hon. member who has the floor should address himself to the Chair.

Mr. Coates: I am quite willing to address myself to the Chair even if it might not be very palatable. I just want to say that the Minister of the Environment (Mr. Marchand) did not like his departmental office and so he spent $44,000. He felt that if he were to do that for his departmental office he should also do it for his House of Commons office because he would be there once in a while. He just spent a minimal amount of $10,275 on his House of Commons office. He only spent $54,000 or $55,000 to make sure that he had the proper comforts when he went to his offices. The same fellow told us transport was in a mess. The whole government is in a mess, and the country is in a mess. The reason for this is this almost obscene spending on the part of members of the government who tell the Canadian people that they had better tighten up their belts and restrain. These are just some of the examples.

One of these ministers, Mr. Speaker, is the Minister of National Health and Welfare (Mr. Lalonde) who did a lot of talking here, became upset, and forgot about that $62,000 he spent on the "Why Not" pins which he produced. I say to him that he should put his money where his mouth is and tell us what he, his deputy minister and his assistant deputy minister have spent, because this information is not produced. I suggest that if he wants to find out the reaction of Canadians about the "Why Not" pins they will give him 62,000 reasons why they should not have been produced for $62,000. You can bet your bottom dollar on that.

Let us now look at some of the individual expenditures. I was very interested in seeing just on what these ministers were spending their money. I looked at the Department of Indian Affairs and Northern Development to see how the minister spent money on office renovations and new furnishings. This is rather interesting. For instance, in 1974-75 he bought three new steno chairs at a cost of $189.75 I say that is pretty reasonable. I looked further down on the sheet and I see that he bought one posture chair. I assume that is for him, a man of posture. He has been posturing for

a long time with the Indians. But he spent $277 for the posture chair, which is three times as expensive as a steno chair. On top of that—and this was very interesting—he spent $500 for a water cooler. No doubt he takes a lot of aspirins every time the Indians come to see him to ask him what his policy will be with regard to them.

● (2020)

An hon. Member: Have you a water cooler?

Mr. Coates: Yes, I have one, although there are very few things that the government has been willing to give me. I think mine is a lot cheaper than that one.

Mr. MacFarlane: And you do not even have to worry about it, you do not have to report it.

Mr. Coates: Look, Mr. Speaker, all I can say is that I do not have to worry about the kind of hollering that is coming from the deputy whip, who very seldom makes a speech except from his seat and very seldom says anything that is worth listening to.

Mr. MacFarlane: That is another untruth.

Mr. Coates: If the deputy whip speaks for parliament, he certainly has no monopoly on truth, or can you tell the difference between truth and Trudeau in this country? I do not think so.

Mr. Paproski: Just one great big water hole.

Some hon. Members: Oh, oh!

Mr. Coates: I was impressed by the kind of expenditures that were outlined by the Minister of Indian Affairs and Northern Development (Mr. Buchanan), but I have to say that he is rather frugal in comparison with some other ministers and how they are spending their money. For instance, we have a chap in the other place who is supposedly a minister in the cabinet. He was a nobody when he was in the House, but all of a sudden when he got to the other place he became a member of the cabinet. If you think that the $277 chair of the Minister of Indican Affairs and Northern Development is expensive, just look at the way in which the minister in the other place is spending and you will get some idea of how grandiose your ideas can become when you get to the other place. One of his walnut and natural leather chair happens to have cost the Canadian taxpayer $635.71.

Some hon. Members: Oh, oh!

Mr. Coates: That is the kind of chair to have. I can see him relaxing in it, forgetting all the troubles he has, thinking about all the responsibilities he has and how the country will be run. He sits back in that beautiful walnut and natural leather upholstered chair which has cost the Canadian taxpayer $635.71. But if you receive an invitation to his office and go there, you will also find there nine other walnut chairs which cost the Canadian taxpayer $1,890.50.

Apparently, when you fix up your office you have to do it properly, even in times of restraint, even in times when you have to tighten up your belt, and so on. After all, if there is any money going around the cabinet ministers happen to have it, so they can look after themselves while everyone else tightens his belt.

The minister in the other place felt it was not appropriate to have only those nine walnut chairs at $1,890.50, and the walnut and natural leather chair. He also had to have a nice sofa. So he got himself one walnut and natural leather sofa on which he can lie back, recline, and think about those heavy problems he will have to face when he puts the government's position forward. So for a minimal expense of $1,084 he got himself a sofa.

But then the minister in the other place looked around his office and noticed that something was still missing there. "There is not enough here and I must do something about it", he said to himself. "I know what it is, I need some drapes", he said. So he thought about the kind of drapes that would fit in that office, he went out and found the drapes, which were very inexpensive when you consider the $635 chair, because they only cost the taxpayer $1,997.75. Now he has nice drapes which he can pull together, he can lie down on the sofa and look at the chairs, and, man, he is where one wants to be, he is where this government should be.

An hon. Member: Sharp.

Mr. Coates: They think they are, but one of these days they will have to face the unfortunate fact that they have to see the electorate, and when they see that electorate they will have to tell them how they put restraints into effect.

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

Some hon. Members: Let him carry on.

The Acting Speaker (Mr. Boulanger): I do not see the hon. member rising and asking for more time.

Some hon. Members: Yes, he is.

The Acting Speaker (Mr. Boulanger): If the hon. member will do so, then he must have unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

Mr. Armand Caouette (Villeneuve): Mr. Speaker, the bill now under consideration is not the first anti-inflation measure presented by the government. Today the same government is asking us to approve some amendments aimed at making the anti-inflation legislation more logical and acceptable.

Mr. Speaker, during the next few months, we could see in the House a whole series of bills amending the anti-inflation legislation. Being as it is today, that is an inefficient, illogical and unfair measure full of loopholes, the government will have to amend it regularly to make its application possible.

Mr. Speaker, I will not hesitate to vote against the bill now under consideration, because I know that Bill C-89, as the anti-inflation legislation, is a poultice on a wooden leg, or an aspirin to relieve a minister of his headache, that is a measure with no useful effect.

An hon. Member: You don't know anything about it!

● (2030)

Mr. Caouette (Villeneuve): Mr. Speaker, some hon. members are good to shout: "You don't know anything about it", but they are not good to rise in their place and speak out, as is the case with the hon. member opposite.

That does not mean, Mr. Speaker, that we do not know the government's good intentions. The question does not lie there. What Canadians are concerned about is not whether the government has good or bad intentions in introducing the Anti-Inflation Act, but rather whether the act will be efficient and put an end to the ravages of inflation.

The worker who gets only a small salary just wants to know if his salary will enable him to buy the goods necessary to feed his family and give them a decent living. He very well knows that due to the inflation rate we have experienced in the last few years, he could no longer give his family a decent living and is going bankrupt. With an inflation rate of 10 per cent a year, the value of each dollar earned by the sweat of his brow is reduced by ten cents every year. It is something that no one could tolerate for any length of time. After five years, his dollar would be worth only fifty cents, which is about what it is worth now.

An hon. Member: Hang on, you are doing well!

Mr. Caouette (Villeneuve): I hope you will have the guts to take the floor once I finish my speech.

After ten years, Mr. Speaker, the poor beggar's dollar is worth nothing. Even the Minister of Finance (Mr. Macdonald) can understand that, and that is why a few months ago the government finally decided to propose steps to fight inflation. Unfortunately the government have once again put their foot in it with their anti-inflation legislation.

Once again we have seen proof of that today. Public order is threatened everywhere in the country. Some revolting decisions, like the one taken in the infamous Irving case, have completely discredited the Anti-Inflation Board and its chairman. Canadian workers and even corporations will long remember this decision taken by the board. For the first time in the history of our country, we have witnessed the condemnation of a corporation which wanted to share its profits with its employees by granting them a wage increase. In other words, the Anti-Inflation Board has told those corporations: Keep your profits to yourselves. Get rich and prosper as much as you will, but don't give a thing to your employees. Don't share your profits with your employees, unless you want to pay a fine. And to make sure those same companies understand the message well, the AIB imposed a $125,000 fine to the Irving Company as a warning to other companies that are too generous towards their employees.

Who, Mr. Speaker, can blame other employers and companies for basing themselves on that ruling to refuse legitimate increases in salary? The companies can say: We would love to give you higher increases in salary. Last year was a good year. Profits were never as high. In fact, profits are the best ever but, unfortunately, we cannot give you a salary increase because we stand the chance of having to pay a high penalty. We would like to share our profits with you, our employees, but the AIB will punish us if we don't keep all our profits for ourselves.

That is what corporate employers say and will continue to say to Canadian workers. That is all the fault of the AIB, and the government comes and laughs right in our faces. Today, the Minister of Finance (Mr. Macdonald) comes to see us and tells us: I have a good idea. Here are a few changes that will make the AIB more efficient. The English have the expression "to whip a dead horse".

This is just about what the minister does and what he want us to do. Even if we whipped a dead horse for centuries, we could not resuscitate it. We could at best keep flies away from it. As far as I am concerned, Mr. Speaker, I am not interested in whipping a dead horse. I do not want at all to be associated with this bill which tries to make the Canadian people believe that a patched up Anti-Inflation Board will be an efficient tool against inflation. We must admit, Mr. Speaker, that the Anti-Inflation Board is nothing more than unemployment insurance of $50,000 to $60,000 to pay people like Jean-Luc Pepin, who was defeated in his constituency of Drummond by a member of the Social Credit Party in 1972.

An hon. Member: By how many votes?

Mr. Caouette (Villeneuve): He did not come back, even if he did not get many votes. The population did not want him. So his good friend Pierre Elliott Trudeau, the present Prime Minister, found a cushy job for him, just as he did for his other good friend, Paul Gérin-Lajoie, the pope of CIDA. We read in the press that the chairman of the Anti-Inflation Board—

An hon. Member: You are always reading! Read your paper correctly. Try not to make mistakes!

Mr. Caouette (Villeneuve): I might well be reading, but the hon. member should have the guts to rise and talk on that issue.

The Acting Speaker (Mr. Boulanger): Order, please. I think it would be appropriate if the Chair could hear the statement of the hon. member for Villeneuve (Mr. Caouette). The hon. member for Villeneuve.

Mr. Caouette (Villeneuve): Thank you, Mr. Speaker. We learned through the newspapers that the Anti-Inflation Board Chairman is not a very "economical" person. We are aware that he travels at the Crown expenses and first class. Even cabinet ministers do not travel first class. At least, this is what is officially known.

We must admit that we are caught with a very expensive Chairman of the Anti-Inflation Board, earning $50,000 a year, not taking into account his expenses. We know that the board's budget will be over $13 million in 1976. Mr. Speaker, that is where the money of the taxpayers and the

workers goes. People who live richly and who take the right to deny small and middle wage earners raises that are in fact justifiable. Mr. Speaker, Canadians will never accept that. They will not tolerate such injustice. The government must find serious ways to fight inflation. It must find and apply real solutions to that problem, not a board composed of civil servants generously paid who tell people to tighten their belts, but serious solutions, no patching up, but a deep reform which would root out the disease from which our economy is suffering. That is what Social Crediters are proposing.

If members opposite are serious, they will have to read the bill introduced by the leader of the Social Credit Party of Canada. An hon. member said a moment ago that he would like to be a senator, the hon. member for Témiscamingue (Mr. Caouette), talking about the fight against inflation. Bill C-328 offers a new approach, specific means to control and eradicate inflation from our economic system. Now and again some hon. members criticize Social Crediters for being negative and for doing nothing more than opposing measures. I invite them to read the bill sponsored by the hon. member for Témiscamingue (Mr. Caouette). They will see that Social Crediters propose a well defined strategy to fight inflation. They will see that they can give a lesson of logics and common sense to the civil servants and the ministers who laid that square egg which is the Anti-Inflation Board.

● (2040)

I do not intend to talk further about Bill C-328, as we are debating Bill C-89 today. But I believe it is important to point out to my colleagues opposite that the government's approach is neither the only one nor the best one to fight inflation. As I said earlier, the bill under study today is aimed at correcting the most obvious deficiencies of the Anti-Inflation Act. For this reason, the object of Bill C-89 is to extend the right to appeal from a decision of the Anti-Inflation Board and its administrator to all those who are affected by a decision.

This obviously would make less unfair a situation like that which prevails at Irving's and to which I referred earlier. We all known that in this particular case the workers could not, under the Anti-Inflation Act, appeal against the board's decision to turn down the salary increase granted by the Irving company. Indeed, the anti-inflation legislation gave the right of appeal only to the person or group to whom the administrator's order applied, in this case, the Irving Company. The bill before us now would also give this right of appeal to all those affected by an order, so as to include the workers who are the real victims of an order issued against their employer.

Mr. Speaker, do this provision and the other amendments proposed by Bill C-89 justify the expense of time, energy and money that this government is now making the House go through? For example the fact of making it possible for workers to appeal a decision issued against their emloyer seems to be, in our opinion, an improvement on the present situation.

To be logical, however, one must point out the fact that it is not normal or fair that the board and its administrator take the liberty of ignoring bona fide agreements between employers and employees.

[Mr. Caouette (Villeneuve).]

Mr. Speaker, when a company considers that its profits have been substantial enough to justify considerable wage increases for its employees, I find it senseless and unacceptable that the Anti-Inflation Board says to the employer and his employees: There is no way for the company to share its profits with its workers. It must keep its profits for itself, and workers must tighten their belts with a poor 12 per cent wage increase, whatever may be the company's profits.

Mr. Speaker, instead of granting a right of appeal to the workers involved in an order against their employer, it would be wiser for the government to withdraw from the Anti-Inflation Board the right and authority to get into the collective bargaining between employers and employees. Then, a prosperous corporation having made high profits could have its employees allowed a share of the profits, without having to be afraid of a $100,000 or $200,000 fine.

We should ask ourselves the following question: Is Bill C-89, an Act to amend the Anti-Inflation Act, worth being discussed now in the House? If one thinks in terms of the importance of the problem, the answer is yes, as we are all aware of the frightful havoc inflation is playing with the economy. On the other hand, if one thinks in terms of the value of government measures and the minor alterations the government is planning to bring to them, the answer is no. The government's anti-inflation program is a monumental failure. It has only resulted in public loss of confidence in the government and in governmental ability to solve problems.

Who can trust a government which tells the people: Tighten your belts and be content with a 12 per cent salary increase while government's expenditures keep soaring. What a fine example this is for the people who see government expenses jump by 16 per cent.

Nevertheless, Mr. Speaker, I am glad I had the opportunity to demonstrate that the bill is definitely not going to put an end to damages due to inflation and that the House will have to consider much more radical measures and more drastic reforms of our economic system if we are to obtain results in our struggle against inflation.

That is exactly the kind of reform and radical change to our economic and financial system the Social Credit is suggesting to the House and to the people of Canada. More and more, Mr. Speaker, we will have to admit that solutions put forward by Social Crediters represent our sole chance to beat inflation. A few years ago people used to say that the Social Credit theories would generate inflation. They used to say that with the Social Credit money would lose its value.

An hon. Member: Exactly!

Mr. Caouette (Villeneuve): It is true. There is one who is frank.

Today our money has almost no value. And the Social Credit party is not responsible for it but the present system is. Therefore our opponents have no other choice than to recognize that the inflation is due to our present economic system. And I anticipate, Mr. Speaker, that if Canada does not soon apply the economic theories of the Social Credit party, our economy may well be too close to total bankruptcy to be saved. This is why, Mr. Speaker, it

is urgent to undertake a review and implement the proposals put forward by members of our party.

Mr. Jacques Olivier (Longueuil): Mr. Speaker, first of all I would like to draw the attention of the House to the fact that, by measure of restraint, I did not intend to take part in this debate. As a matter of fact, I preferred to leave the opposition criticize the waste of time that takes place here, because let us not forget that at a yearly income of $24,000, the working people expect us to do justice through the bill before the House.

I have heard the hon. member for Villeneuve (Mr. Caouette) explain how he would protect workers through Bill C-89. It seems to me, Mr. Speaker, that the hon. member for Villeneuve has failed to understand the essence of Bill C-89. He said earlier that the Irving Company wanted to redistribute profits among its employees and had been prevented from doing so. I ask the hon. member for Villeneuve whether he has any evidence that the company really wished to redistribute its profits. Was it not rather the other way round, namely that the company, knowing that controls were applied so efficiently, knew it could make such a proposal and be assured that the Anti-Inflation Board would reject it. That is more like what really happened. I would like to know, Mr. Speaker, whether these companies, the way they act, really want to put things where they belong, whether they really wish to give their workers the excessive profits they are making. I have very serious doubts about that. The amendments in Bill C-89 are aimed at providing workers with a still higher degree of justice. Those who feel they are affected in their collective agreement derived from fair and reasonable demands, those who think the Board may have erred in their decision, want the right of appeal they were not initially provided with.

With this legislation, we are going to give those people that right of appeal. This in my view is something quite extraordinary in this time and age. I believe it is only fair and reasonable that every worker in Canada have a right of appeal against the board's decisions, and such is the aim of Bill C-89 now before us. I would like to understand the rationale behind the contention of the hon. member for Villeneuve that Bill C-89 goes directly against workers. This legislation gives them rights, it confirms the rights they have as workers.

I am at a loss to understand. I wonder whether in the first place the hon. member read the bill that established the control board. The board's role is to review monetary offers at the employer-employee level. I am at a loss to understand how the Social Credit Party of Canada, the self-appointed free enterprise champion, wishes to defend huge monopolies as the Irving companies and others. I find it hard to understand how they, the self-appointed defenders of widows and orphans, are now taking sides with multinationals and big corporations. I am at a loss to understand. It is one of two things: either they lie outside Parliament, or they did not seriously consider what is in Bill C-89. This is the question the Canadian people ask themselves.

● (2050)

Mr. Speaker, all I want to try to explain to the Social Credit Party of Canada is that there are people, even unorganized workers, who have a right to fair increases. Some companies chose not to give any increase. Do we control them? No. But other companies decided simply to play a game and to offer much more knowing that our control measures would be very efficient, that they would prevent the proposed increase. They simply made extravagant offers, Mr. Speaker, and I am sure the hon. member for Villeneuve (Mr. Caouette) understood their game, so that the Anti-Inflation Board would reject them and the blame falls squarely on the government and on the hon. member for Villeneuve because he is a member of Parliament. The hon. member for Villeneuve ought to communicate with this kind of companies to try to teach them how to be good citizens as well as lots of things he and other members of his party would perhaps need to understand.

Mr. Speaker, I think the very essence of the proposed amendments with respect to the control board is to protect workers and give them a right of appeal. Earlier I heard another member of the official opposition read a list of expenses by ministers or deputy ministers. He did not read the expenses of the Leader of the Opposition (Mr. Clark), he read those of the Prime Minister but not those that every member makes and is entitled to make under the law. He did not tell us that, he did not say how much a year he was spending under the regulations that allow us to spend. He forgot to say that, Mr. Speaker. I want to say here that out-of-context figures are being used, and there is an attempt to try and bias the very philosophy of our amendments.

Well, I would like to set the record straight. If people spent money it is certain that it was done under certain regulations or laws, and if those things were not done under certain regulations or laws, or if those things were illegal, I hope hon. members will denounce them. I hope hon. members will submit evidence and denounce those kind of things if it is not done under laws and regulations. I would like them to do so; the money of the public must absolutely be protected. And if there are people here who spend money uselessly and illegally it is the duty of every member of this House to stand up and say so and prove what they suggest, and not leave doubts that only members on one side of the House make excessive expenses and those on the other side are mere angels who do not spend but, on the contrary, take some out of their pockets and give it to Her Majesty every day.

I think, Mr. Speaker, that there are people here who will have to be more realistic. Let those who are here to vindicate workers, unions that deserve our respect, discuss Bill C-89 despite the fact that those who are against unions are on the other side of this House. I see the NDP members who did not yet take part in the debate on Bill C-89; are they going to show us the inherent justice in introducing a bill like C-89? Otherwise, Mr. Speaker, they will have failed in their duty, they who always said that they were here to protect not union members but unions—there is a nuance here. I am prepared to protect workers, union members, but I am not ready to prepare structures that represent nothing at all.

And the hon. member for Villeneuve wanted to protect multinationals and companies earlier. I am more prepared to protect workers and those who are underprivileged, who are not unionized, than big companies and big unions.

[*English*]

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, this bill before us is an amendment to Bill C-73 which was introduced last fall to attempt to control the increase in prices and wages across the country. At that time I voted against second reading of Bill C-73, not only because it was bad legislation but because it was inflationary. This particular bill before us, Bill C-89, is simply amending bad legislation. Members of the government did not think in the fall that there had to be appeal procedures when you give such arbitrary power to a board, and that is what is now in these amendments.

What I want to drive home to the government, particularly to the Minister of Finance (Mr. Macdonald), who will carry the can for this particular legislation before the public in the next two or three years, is that this has turned out to be, as most people who talked about it for a while recognized last fall, a bill that was not only anti-labour in this country but was also against business. This is evidenced by the fact that in the small print at the end of the guidelines of last fall, there was a question about the export tax. When I asked the government when this was forthcoming, I was told it would be forthcoming before Christmas, and it was. But it did not last too long.

When business realized they were caught in the same sort of trap as labour was caught, and that it would not work and would not be fair, and labour recognized that they were in the same mess as business, labour and business got together. They went to see the provinces and forced the federal government out of the anti-inflation bill in so far as the export tax was concerned. That is what is going to happen to the whole bill. The bill, by the very nature of the human being, has to be unfair and unjust. Therefore you are going to find increasingly that the number of institutions and groups of people who are adversely affected are going to coalesce, like labour and business did with the provinces on the export tax, and throw this bill out. If they have to, they will throw the government out with it. That is to be the fate of this bill.

This is not a bill to fight inflation. This bill that we are debating and amending legislates inflation. That is why it is an evil that we all must fight. I was surprised indeed to hear the hon. member for Waterloo-Cambridge (Mr. Saltsman) speak in favour of this principle this afternoon. He noted that the labour movement and the NDP were not opposed to this type of legislation "as long as you made it fair and as long as you applied it to prices as well as to labour."

That is nothing else but the acceptance on the part of the hon. member for Waterloo-Cambridge of Galbraithean economics, which were an intellectual exercise 15 years ago but are passé today. The hon. member is not with it. He is apparently not aware that we have moved on from those intellectual half-truths of Galbraith and that Galbraith is known today as a humorist, not an economist.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): I am surprised indeed to see that intellectual of the NDP, the hon. member for Waterloo-Cambridge, endorse this pseudo-intellectualism passing under the name of Galbraith. I wondered about it until I read the *Globe and Mail*. There I found quoted a story taken from the NDP paper, advising the left not to get tied up with support of controls across the board, but just selective controls.

The minister should listen carefully because he cannot stop this type of controls with just 1,500 companies. It has now been expanded to thousands of companies. Soon they will recognize they will have to go further and further and extend it to all companies and to all individuals. We will have a complete system of controls all across this country for every form of activity. Once you start on the slippery slope of restrictive legislation to try to control wages, profits, dividends, prices and all the rest, in order to make it work you have to keep on expanding your power. It is like playing Canute with the tides.

I simply point out that this is bad legislation because of the danger of trying to put a system of controls into a free market economy which has proved to be, even with all its faults, the most productive system yet devised. Therefore I say to the minister that he will have to bear the can when the roof falls in on this attempt by ordinary mortals who try to lay down a plan that will work.

On December 2 last, instead of just being critical of the government for its great conversion to a concept of price and wage controls, I tried to put forward the doctrine on third reading of Bill C-73 that there was an argument for controls for a very short period of time to check the psychology of expansion of prices and wages. However, I stated that the only hope to make that concept of a freeze by selective controls work was that since the psychological effects could only be applied for a short time, in that short time the government should use all its strength and efforts to get at the basic causes of inflation. These basic causes of inflation have been well defined over the past ten years.

There is no argument about it. The number one cause of inflation today in all our western countries is the cost of government. We heard a few examples of that type of cost from the hon. member for Cumberland-Colchester North (Mr. Coates). It is going to be pretty hard for the members of the government to go into their constituencies, where people are living on fixed and low incomes, and tell them it is necessary every time there is a change of ministers or high officials in the government to redecorate the joint, and put in new furniture to suit their personalities.

● (2100)

After incurring costs as high as $10,000, $20,000 even $50,000 apiece to live the life they assume they ought to live as members of the present administration, they go around saying to the rest of us, "Tighten your belt, I may have a swimming pool in my yard but you can manage without". How are they going to explain these things to the people of New Brunswick, to those living in the rural areas of Quebec, on the eastern side of the Island of Montreal where some are living, or trying to live, on $2,000 or $3,000 a year? How can they explain why it is necessary to have the prestige of sitting on a $2,000 sofa or a $700 chair so that a minister can deal with his opposite number in dignity? It is going to be hard. The hon. member for Cumberland-Colchester North knows that ministers and senior civil servants must set an example.

At the present time 80 per cent of the cost of government at the federal level goes into programs over which the

government has no control. Parliament has passed laws turning power away from parliament and the executive and placing it in the hands of independent boards and commissions which operate unchecked by effective control mechanisms.

Fixed expenditures of this type account for 80 per cent of the $35 billion or $45 billion which the government collects in taxes and general revenues. Until the government re-examines its expenditures, both the fixed type to which I have just referred and the kind which the hon. member for Cumberland-Colchester North is talking about, there is no chance of getting people to pull in their belts and live up to the level of restraint which is desired.

In the last two speeches I have made in this House I tried to put forward some constructive ideas about the best approach to these statutory programs, and to indicate directions in which the government could save millions of dollars. Mr. Speaker, I have not yet heard anyone on the government side make one response to those positive and constructive suggestions, though I felt them deserving of a great deal of attention since they would not only help the government save money but do the same for each of the provinces taking part in these statutory programs.

The number one problem responsible for inflation in the western countries is the fact that governments are taking for their own purposes such a large proportion of the wealth their nations produce. In Canada the figure is around 40 per cent. Out of every dollar produced approximately 40 cents is utilized by the government. Spokesmen for the administration say a great deal of this money is transferred back to people who need it. But no matter how you twist and turn, if you take a figure of that magnitude and translate in into transfer payments of any sort, the point is reached at which you push up the cost to the person who is working, and who has to provide for these transfer payments, to such an extent that an inflationary situation is created.

I would very much welcome an opportunity on a future occasion to speak about the possibilities which exist for governments of the future to utilize the tremendous savings propensity of the Canadian people in getting at inflation instead of seeing so much of our money going into transfer payments.

What do transfer payments mean, in simple terms? At the present time approximately four people are working and carrying one on their backs. Well, the minister could take this principle and arrange matters so that there is more money for everybody, provided the government is willing to adopt a more constructive approach. The way we are going now it will not be long before there are three people working and carrying one on their backs. There comes a time when the load is so heavy on those who are working that rebellion breaks out.

All of us want to do what we can to continue to provide necessary services such as hospitalisation, medicare, unemployment insurance, old age pension, accident insurance, and so on, because they are necessary part of an industrial economy. But if the load of transfer payments from the man who is working to the man who is not working becomes too heavy, the system collapses. That is why I plead with the government—please consider where you are taking us, because we want to save these programs. There is a way to save them. It is to have faith in the individual; if he is given a positive incentive to save he will do more to save money than any form of bureaucratic device.

I have put proposals forward twice in the last few months in the hope that the government will take notice of them before inflation grabs hold and makes this silly little bill to amend the Anti-Inflation Act meaningless.

I repeat, the first cause of inflation in all the western countries is the amount of money governments are taking out of national revenue for use as transfer payments which place too heavy a burden on those who are working. At present, as I say, the ratio is four to one. Soon it will be three to one. Ultimately those who remain at work will decide to carry the load no longer and then we shall lose the thing that everybody wants, these universal plans and so on.

A second major cause of world inflation is high interest rates. Everyone touches on this question of interest rates and then shies away from it. the hon. member for Waterloo-Cambridge touched on it—he is smart enough to know that high interest rates are a cause of inflation—but he said, finally, that governments could do nothing about it. On that point I disagree with him.

I have tried to put the matter in simple terms. If a person buys a home in one of our major cities at a cost of $50,000, a sum which nowadays would pay for a modest worker's home, taking out a mortgage for 30 years, the eventual cost of that $50,000 home will be $200,000. Interest payments account for $150,000. That is inflation, Mr. Speaker. That breaks the backs of a young couple who must work their way through that debt until they become old people.

The answer, Mr. Speaker, is not to pour out hundreds of millions of dollars in subsidies to help pay this interest, but to attack the root of the problem. The nation could stand it when the interest rate was 4½ per cent, but an interest rate of 12 per cent is not only killing the young couple trying to build a home, it is killing the whole nation because so much money is being taken to pay for something which is not productive in itself. The same applies to big business. I use the example of the oil sands.

If you get into an oil sands development calling for a $2 billion plant, the cost of oil per barrel, taking interest rates on capital into account, works out at $11. That is cost. Yet if you allow that oil company, in co-operation with the owners of the oil, the people, to pay off that debt quickly, you bring the cost down to $3 a barrel in four years. Then the oil company will be able not only to compete with any other country in the world in the production of that oil, but the owners of the oil, the people, would have a tremendous amount of money to divide, the bulk of which could go to the owners of the resource, the people, and for a very small amount the companies could be satisfied that they have a fair return for their money.

● (2110)

As I have mentioned in previous speeches, this could be done on a contractual basis, and there are precedents for it. I have referred to the British system. The British government is a so-called socialist government. They would not have got their North Sea oil developed in any other way. In the case of the Chevron company, which is a subsidiary of Exxon, that company was not going to go into risk develop-

ment. But the British government got it to do so by telling it that they would not charge it anything except the traditional royalties if it would agree to pay off its debts first. As a result of this, the Chevron company paid off its debts in four years and two months.

The government then brought in its great big petroleum revenue tax, but the people of the United Kingdom still get as much money out of their oil as the Arabs, who went at this through a process of nationalization. Although there is a so-called socialist government in the United Kingdom, using a taxation technique called a rapid write-off the United Kingdom will have cheap oil when the rest of us are tied to $11 a barrel oil from Alberta.

I use this as an example to show that business is to blame as much as the government. When I put this proposal to the previous minister of finance in 1974 he had his officials study it and he came back with the answer that it was a fine suggestion, but unfortunately the companies do not finance in that way. That is the very point I am making. Somebody ought to take the lead and put this proposal on the table and, as I say, there are precedents for it in Canada.

We are talking about an inflationary force, Mr. Speaker. Just as a person who buys a $50,000 home wants some relief from the $150,000 in interest that he is going to pay, so does business want some relief from the billions of dollars of interest that it will pay on a $2 billion investment. This applies to every capital intensive enterprise in the country. The province of Quebec is going into this fantastic adventure in James Bay which will cost in the region of $20 billion. When I think of all the capital intensive enterprises that we will have to undertake within the next 30 years, interest will be the biggest part of the cost, the way we finance at the moment, accounting for roughly 75 per cent. This is the inflationary force that is killing our young people in the cities, our young farmers, and businesses.

To those who say there is no answer, I say that common sense is the answer. I have said in this House many times that if these two kinds of proposals do not give the government ideas, I have lots more to offer of the same nature already proven by other people.

It is a matter of record that in the new brave deal over in the North Sea, BRAE off the Orkney Islands, Canadian companies, that could not possibly make a living in Canada finding oil and gas under the present tax laws of the provinces and the federal government following the 1974 budget of Mr. Turner, have made one of the newest finds in the North Sea. They know that all the money that they have risked and invested in that oil field will be paid back in about four years, because the government over there will not tax them until the debt is paid off. The companies will not get any money either during that time, but in four years they will own and run a huge oil field, with the people of the United Kingdom getting around 60 per cent of the proceeds, so much being allowed for the expense of operating, and about 25 per cent going to these Canadian companies.

Most Canadians have not even heard the names of these Canadian companies which have had to go to the North Sea and develop the resources of the North Sea, under a government over there that has some common sense and recognizes that the enemy of these companies and of the people is interest rates. There you have a socialist government taking this course in order to reduce inflation by getting at the real enemy of interest rates, not across the board in some God given solution that cures all the problems in one act, but case by case, either by contract or by special concession, as this was. I think this is the sort of thing that the Canadian government should be doing, instead of tying down the Minister of Finance in order to try to make an act work that will not work. Let him take a look at these various proposals that get to the basic cause that is forcing up prices today, cost-push. Government is cost-push, interest rates are cost-push.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

My third example, which I have raised before and will do so again, is this: I wish that the government would go to labour at this point in our history, when they are so troubled about the implications of having a government take away their traditional freedoms they have fought for 200 years to win, the right of collective bargaining, and say to labour, "Will you sit down and talk to your opposite number in business; there has been fault on both sides; see if you can't get together and solve your problems". It is very clear to students of modern labour-management negotiations in the last 25 years that these negotiations have fallen into stultified, formal procedures that are costing the working man many dollars more than they should, hurting both the consumer and business.

In other words, too many of these negotiations end up in useless, wasteful strikes which hurt everybody. Now that labour is worried about losing its traditional right of collective bargaining, and now that business is worried about losing its freedoms to these controls, is it not time to sit down and take a look at each industry and see what can be done?

Let me give more tangible evidence of the truth of what I am saying, Mr. Speaker. If you took a look at nearly every industry in Canada and measured productivity over the last 25 or 30 years—and we have done so—measuring the amount of productivity coming both from capital investment and from labour, you would find there is a percentage formula all through the history of industry. If this traditional productivity formula were used instead of the strike technique, there would never need to be a strike because people would know ahead of time what their share was going to be. All you would need to do is negotiate occasionally in order to see that that percentage formula was commensurate with the amount that was put into the operation.

There are many examples of this. If the Minister of Finance wants to give the Minister of Labour (Mr. Munro) a chance to be in the light of the sun, to get off his seat and use the knowledge gained at the present time by management and labour in certain industries, let him see if he can bring in the type of legislation that provides that all future contracts be based on a no-strike understanding. We should never take away the right to strike, but rather base negotiations on productivity and on job security. This would mean portability of pensions and insurance, with labour controlling new jobs. There are also many other things done in isolated cases that are not done in labour-management negotiations across the country. In that event, Mr. Speaker, you would find that the most

enthusiastic supporters of this kind of new labour contract would be not only business but also labour itself.

Labour is fed up to the teeth with being marched up to the Parliament Buildings and marched up to the offices of management in confrontation. Workers are fed up to the teeth with professional people on both sides who bargain on their behalf, and who make money by keeping the fight going for as long as possible. The people of this country, whether working men, businessmen or general consumers, plead with the government to recognize the fact that the sterile techniques of negotiation today need to be changed radically. This change will be made not by legislation but through leadership which shows how to do it. I think I know something of what I am talking about, and I hope the whole country will know a good deal more of what I am talking about when certain things develop in the next two or three weeks.

● (2120)

The fourth cause of inflation has been the money supply. I do not want to quote percentages because I think they are well known, but the money supply in this country has been controlled as though there was no awareness whatsoever of the relationship between the money supply and goods produced. This year we are suffering under tight money. Just what does tight money mean today? It means the government is only going to increse the money supply this year by 15 per cent. That is called tight money!

What has to be brought to the government's attention is that history in the last 25 years indicates that the use of the money supply mechanism is not the final answer to the monetary and fiscal problems of governments. This is a factor, but a very minute one. The government or Bank of Canada should be given a formula and told to keep with it. That formula should be based on the real gross national product interest plus the velocity of the increase in goods and services. With that two-point formula they should be able to maintain the money supply in relation to the gross national product and in that way take the cost push part out of the equation.

Let me go to the fifth point which is land costs. More correctly this should be called the urban policy. One of the great factors pushing up costs today has been the rush of people from the rural areas, along with immigrants, to our big cities. There are many reasons for this. When your growth rate in the cities is greater than a certain percentage you get this sudden increase in costs which shows up most dramatically in the cost of land, in the cost of your transportation systems and so on.

We have been talking about this for 20 years and the country is still lacking an urban policy that is concerned with the geography and people, and is concerned with the relationship between housing, transportation, and recreation. These are the things about which we have been talking.

The Association of Mayors and Municipalities has been passing resolutions for years and years, but always the government has taken the stand that it cannot do anything about this. The government has always taken the stand in respect of such resolutions from the Association of Mayors and Municipalities that it can do nothing about them because the city is the creature of the province. Boy, what a creature the city of Toronto is; what a creature Vancouver is! And the populations of Calgary and Edmonton are greater than the rural population. These are some creatures, including Halifax in Nova Scotia, and Winnipeg in Manitoba. We should get away from this crazy notion that these huge cities are just babes in arms, creatures of the provinces, with all these rising costs affecting the economic level of the cost of living of all the people of Canada, otherwise we in the federal parliament are not doing our duty.

Our duty is related to the economic health of this nation, keeping people employed and getting maximum production and wealth, and seeing that there is an equal distribution of that wealth. We must come up with an urban policy and, believe me, there are lots of opportunities available to keep the minister in charge busy for some time finding out what it is all about, taking his mind off the refurnishing of his office and doing what he is supposed to be doing.

With all the legislation in place, including the Housing Act and CMHC, and with all the experience we have gained from many countries, land costs could be brought under control. In that way we could be of assistance to the municipalities instead of there being the hurdles that every provincial government, the federal government, and every individual have to face today in the attempt to develop in the big cities.

There is no evidence whatsoever in any of the literature I have read in the last few years to indicate that the Government of Canada has a clue as to how to use the fact that Canada now has a floating exchange rate. The government does not seem to realize that once you let your dollar float in relation to every other currency, instead of inflation being a world problem it becomes a domestic problem. You could not find a single economist on the whole face of this earth who would deny the truth of that statement.

Once you let your currency float in open relationship to other currencies then the power to control inflation comes right within the national power. How do you use this power? I have not heard one speech of all those speeches the minister has delivered, from one end of the country to the other and around the world, that even attempted to deal with this opportunity.

If you take a look at the inflation rate in Great Britain and the inflation rate in the United States and in Canada for a period of 30 years, you will find that it corresponds exactly to the rate they have deflated their currencies, and this is a very well documented point of view. I have not seen one single sign on the part of the advisers to the government, the Bank of Canada or any of the ministers to indicate that they are even aware that this tool to fight inflation is right in their hands.

I hope a budget debate comes along soon so that some of us can put forward some of the information that is available to any person who has the time to read it. The way the government operates it is too busy running around showing itself to everybody and being visible. It is too busy wondering what the press is thinking about it to have any time to read, and certainly to think. I would hope in the interest of the nation that the government would consider dedicating the time of at least one of its ministers to getting around to looking at the basic documents, and I am thinking of the 1964 report on finance by the Porter Royal

Commission and the modern theories of the last two or three years known as the Mundell-Laffer policies.

I would suggest that these six types of cost push inflation are the things on which the government should spend some time. These are the real causes of inflation, and the government should direct its attention to these, forgetting its public relations and its posturing with Bill C-73 and the amendments in Bill C-89. If the government forgot this nonsense in its fight against inflation this country would be better off. Bill C-73 and this amending bill are inflationary, and the more you repress inflation the worse it is when you take off these controls.

I am going to suggest that the minister is on a slippery slope with this type of legislation. He should spend his time getting at the basic causes of inflation. He is getting into this deeper, and now he is getting into the very doubtful constitutional aspects of dealing with the provinces. He knows that the courts must eventually rule on the legislation. He knows that the axe is going to fall for that reason at any moment, and by "at any moment" when dealing with the courts I mean several months. Therefore he knows in his heart he should get out of this silly control mechanism and get into the fight against inflation by using his time usefully.

I hope that in the budget, that should be coming up sometime this year or next year, and with these sessions of two or three years you never know when the minister will take into account this principle, taking to heart that in the budget he should take advantage of the fact that Canadians are the most saving people in the world, and the fact that savings are the key to the fight to stop inflation. I hope he will take to heart the fact that savings will provide the capital we need; the capital that is the cause of so much consumer expenditure. Everything in that budget should be to encourage the little people, the middle sized and the rich to save. The budget should be designed to encourage companies to save so that this money can be put into these tremendous development projects we need.

Secondly, I hope in this budget the minister's taxes are related directly to rewarding people who save and give us greater productivity. If you reward productivity and savings, automatically you get at most of the causes of inflation. Then you can turn this country away from a restrictive type of posture into one which expands in a positive constructive way. In this way we can get this country away from the attitude of restriction.

● (2130)

I know the chief advisers to the government for many years have fully believed that the way to run this country is to have everything possible controlled by them. They believe in restriction like a socialist used to at one time. They will work every minute of the day to give you restrictive policies. What we have learned by now is that when you have a government taking 40 per cent out of the wealth of the nation you reduce the efforts of the nation by that amount. Suppose that government money that was taken out of the nation's wealth was taken through a budget program of taxation aimed at rewarding savings and productivity, then instead of the government part being a load on the economy we would be co-operating and harmonizing with the economy and would get this country back to 100 per cent operation.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

I have noticed in this last year or so that hardly anyone speaks any more about the fact that we have a 7 per cent unemployment rate. One of the ways to get extra wealth and to get at inflation is to get our people back to work. Give us the productivity so that we will have the savings in order to have the capital. This is a strong country. Let us get the country off the backs of the people and get it working with business and with the working man. This is the type of approach we should take.

Above all, Mr. Speaker, when the Minister of Finance brings down his budget, let him get rid of those silly resource taxation proposals of the two Turner budgets of 1974. Get off the backs of our provinces. They have a right to live. Get off the backs of our resource companies. We will need them to develop our country. We do not want to drive them to the North Sea or to Indonesia. We have a great future in Canada if we could get the restrictive people in the Department of Finance off our backs. Make the budget a private enterprise budget. Make it one which rewards the person who saves and the person who produces. This country is strong and will be strong if we can get this government off our backs.

Mr. Robert Muir (Cape Breton-The Sydneys): Thank you, Mr. Speaker, for giving me an opportunity to say a few words on Bill C-89. For those in this House who do not understand, or indeed who do not want to understand why 15,000 to 20,000 working men and women in this nation would converge on Parliament Hill as they did today, let me tell them, as one who grew up in the labour movement in this nation, that these men and women have fears, and indeed justifiable fears, that this legislation spells the end of the collective bargaining system in this nation.

As one who can recall the time he had to work in a coal mine for one dollar a shift, in the great, halycon and glorious days of a Liberal administration under the late lamented—I do not say demented—Mackenzie King, I can say this was a disgrace. This was the situation until a fool by the name of Hitler came along and gave us all a job. In 1940 we had reached the great sum of $3 a shift. I have done some research and have found an envelope which shows I worked 4¾ shifts at $1 a shift for a total of $4.75. That was under a Liberal administration.

As one who worked in the mines in those days I knew that the only salvation for me and many like me was the unionization of the coal mines so that the miners could look forward to bargaining for fair play, fair pay, and fair working conditions. The collective bargaining system has been the cornerstone of security for the wage earner in this nation. This legislation, and the amendments we are debating at this time, do so much damage to the collective bargaining system as we have come to know it and rely upon it that, to all intents and purposes, it is destroyed.

The minute limits are introduced upon what a person or a union can bargain for is the very minute collective bargaining is replaced with compulsory arbitration. Of course it is easy for the government and others of like thinking to say this had to be done because otherwise these characters would go on strike. We have had many strikes. However, had there been leadership from the government

we probably would not have had as many strikes as we have had. Do not get me wrong, Mr. Speaker. I am not saying that the leaders in the labour movement are angels or that all the unions do the right thing all the time. But they never make one tenth or one hundredth the number of mistakes the government has made since 1968 in the so-called just society which we have never seen, or in the judges' society, as someone said.

As a member from the maritimes I say this can only result in the destruction of any hopes workers might have had in my area that there would be a chance to catch up with workers in the more prosperous parts of our country. Not only is there the fear that this will be the case, but we have the hard evidence. It is indeed the fact, as has been shown by the Anti-Inflation Board in its reaction to the Irving settlement. Those employees will not get what their employer felt they had a right to receive, and which their union felt they had a right to receive. The board has served notice on other employers in the maritimes and in Canada that they better not try to provide increases over the proposed guidelines or they will face the additional financial losses that the Irving Company must now pay to the tune of $125,000.

Some time ago the Minister of Finance (Mr. Macdonald) said his proposed legislation would be frightening. Man, was he ever right! As the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) said, to the extent that it is necessary to bring in more and more rules and government controls, where does it stop? During the remarks made by the hon. member for Qu'Appelle-Moose Mountain, the empty barrel, the Liberal whip, kept saying that Muir agrees with him. I do not know what he speaks about half the time but I wish, Mr. Speaker, you would suggest that he might use what little brains he has.

The Acting Speaker (Mr. McCleave): The hon. member for St. Boniface (Mr. Guay) on a point of order.

Mr. Guay (St. Boniface): It is not a point of order, Mr. Speaker. It will be a point of privilege. I would like to say to the hon. gentlemen who has been speaking that if my constituency received one third of what he has received in his over the last eight years I would not get up in the House and say anything.

The Acting Speaker (Mr. McCleave): Order, please. I realize that this is intended to be a wide-ranging debate because of the very nature of inflation, but some of the exchanges which seem to have developed around the hon. member who has the floor do not seem to be quite within the spirit of even a wide-ranging debate. The hon. member for Cape Breton-The Sydneys.

● (2140)

Mr. Muir: As usual, the point of order or question of privilege was as phony as the hon. member himself. There was no question of privilege there and no point of order.

If things are as bright as the hon. member says they are in my constituency in Cape Breton, Nova Scotia, and in the Atlantic provinces, why do we have at present unemployment in Cape Breton Island of 25 per cent to 30 per cent? Let him answer that.

Mr. Landers: Answer it yourself.

Mr. Muir: The juvenile member for Saint John-Lancaster (Mr. Landers) will not be around here too long, so he can interject. He can make his maiden speech from his bottom also, but he better get to his own seat before he does it.

As I said, this legislation only serves to increase the degree of regional economic disparity we now face, but that is not something new, for in Cape Breton Island we are facing unemployment that is even more extreme, I suggest, and more chronic than was the fate of our people during the dirty thirties.

Mr. Guay (St. Boniface): Keep on reading.

Mr. Muir: At least I have notes and make some sense, which is more than the member does.

Some hon. Members: Hear, hear!

Mr. Muir: All this under the just society of the musing Prime Minister (Mr. Trudeau). Remember that just society we heard so much about? We do not hear much about it any more. The new member in the back row opposite is trying to take part in this debate. We have not seen him around very much. The just society is not in existence any more and it has not been since 1968, but the number of those who join the army of the unemployed increases rather than decreases.

Whether you work or are unemployed, these days in Nova Scotia it has almost reached the point where you cannot afford the luxury of living in our area. The power bills with which people are faced today provide them with the prospect of seeing the often quoted phrase of last year "let them freeze in the dark" become a reality for the people of my constituency in Cape Breton and all of Nova Scotia. We have received neither support nor protection from this legislation which tells workers they can only expect wage increases of 8 per cent, 10 per cent or 12 per cent, yet they see their power bills increase 50 per cent, 100 per cent or 150 per cent.

We do not even receive as much as a consoling word from the Grit appointees on the Anti-Inflation Board who must try to run protection for our globe trotting premier who is so seldom in Nova Scotia that he has little real appreciation of the plight of the people whom he is supposed to be protecting. The grim realities of life in Nova Scotia are that premier Gerald Regan and his government's policies, coupled with the decisions of the Anti-Inflation Board, are quickly putting into effect the philosophy and policies recommended by Walter Gordon in his infamous royal commission report that we buy one-way tickets for our people to other parts of Canada. This policy is being put into action more effectively than anything that has happened in the close to 19 years during which I have been here as a member of the House.

Instead of policies which give us hope, we get kicked in the teeth over and over again. For every step we manage to take forward we find that federal government legislation takes us two steps backward. Is it any wonder one sometimes reaches the almost inescapable conclusion that there is no one in Ottawa who gives a damn for our area and our people?

We have discovered that the cabinet minister from my province has reached the point in his career at which he is more interested in riding camels in Egypt than in the unemployed of Cape Breton. If there are any doubts about that fact, they were eliminated when he told a recent gathering of Grits in Halifax that they should pay little or no heed to my efforts and those of the hon. member for Cape Breton-East Richmond (Mr. Hogan) as we fight for a better deal for Cape Breton. Apparently they should rely upon him in his new globe trotting role as he tries to emulate the premier of Nova Scotia, who appeared to have about the same amount of concern, as he wandered through the Far East or the Middle East distributing largesse, grants, and long-term 50 year loans at a low rate of interest.

Perhaps if we separated from Confederation we could apply for foreign aid, and perhaps then our request would be heeded. If you look at the record of foreign aid in the form of grants and long-term 50 year loans at a very low rate of interest you find it is very easy for foreign countries to receive that type of assistance from our government.

The cynicism of Cape Bretoners is about the same as the cynicism of the 15,000 to 20,000 marchers on the Hill today who forfeited their pay cheque so that they could back the immediate, real, and continuing concern of the CLC over this legislation, a concern which has been consistent, responsible and constructive.

There is no protection in this legislation for the wage earners of this nation, either in Bill C-73 or in Bill C-89. In the short period that the act has been in effect it is already obvious that the only benefactor is the new army of public officials who will interfere to a far greater degree than at any other time in the past in the lives of the people of this nation. Yes, the just society is just for them, but the task they will perform is to place a far greater number of those who are now gainfully employed on the unemployment rolls of the nation. This is the last thing we need or can afford at this time, but that is what we have and will continue to have as this cancerous operation weaves its tentacles into every aspect of the life of this nation, as the hon. member for Qu'Appelle-Moose Mountain said.

I see this new society about which the Prime Minister spoke during his year end philosophizing, or musing as some termed it, and I do not want any part of it. My constituents want no part of it and, from what I can glean, the people of this nation want no part of it.

Some hon. Members: Hear, hear!

Mr. Muir: This government has frozen the wages but not the prices, as has been noted by everyone in this country who has an ounce of brains.

The Prime Minister tells the Canadian people in so many words, "Why, you have been on a spending spree! You have been spending like a drunken sailor. You have to cut back, you have to show restraint". He blames it all on the Canadian people. The hon. member for Cumberland-Colchester North (Mr. Coates) outlined a few of the expenditures of the cabinet ministers and of the Prime Minister. Has the Prime Minister or his government shown any restraint since 1968? I say, no. I say to the Prime Minister and his government: heal thyself. I say to this government—I think members in the House will recall that—that the blame also lies with their former cohort, John Turner, who went along with them for years, who went along with those crazy policies which got us in such a mess today. For God's sake, I say to this government, get cracking and get us out of this mess in a hurry, despite the feeble moans of the Liberal whip.

[Mr. Muir.]

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, unfortunately I have only a few minutes left, and as a good brother, I agreed with my counterpart of the Progressive Conservative party to let another Conservative member speak immediately before me, but nevertheless, I will do my utmost to say what I have to say within the time at my disposal.

Mr. Speaker, I am pleased to take the floor at this stage of the debate on Bill C-89 which is now before us. This legislation contains some provisions which enable those who are affected by the application of the anti-inflation legislation, Bill C-73, to appeal to a non-partisan body. Bill C-73, which was put forward last fall and is now in the statute books had the effect of controlling wages for a period of three years or more. However, in spite of all our claims the present government has recognized the growth of companies, multinationals, interest rates, food prices, and increases in the communications, speculations and energy fields.

A question comes to my mind: What caused the inflation? If one looks at the statistics, one sees that from 1970 to 1974, labour income in Canada has risen from $46.7 to $75.9 billion, an increase of 62.6 per cent. As for the increase in aggregate profits, they have gone from $7.5 to $18.3 billion, that is an increase of 138 per cent. As far as interest rates are concerned, they have jumped from $3.4 to $7 million, an increase of 104.6 per cent.

In 1972, the average weekly wages of the Canadian worker were $108.13. Two years later, in 1974, they were down to $105.50, due to inflation. And in 1975, all workers who want to catch up with the cost of living increase are restrained by an unfair legislation, Bill C-73. Mr. Speaker, this legislation has not gained wide public support; it is at the expense of the working people and does not protect the working class. Should this government some day respect and protect the human being instead of capital and profits, there will no longer be any inflation. And at that moment, life will be better. There will be fewer drugs and murders, more frankness and co-operation.

Mr. Speaker, if this government changes its goals and applies its legislation in a fairer way for all the Canadian people, I am convinced that the situation will improve. And how will this be possible? By stimulating production. And to improve production, it is essential to produce more. And to produce more, it is essential to work harder.

● (2150)

There are several solutions to this problem, several capitalist solutions which are more or less valid, but for a Social Crediter like myself, there is only one solution.

An hon. Member: Be specific!

Mr. Allard: Mr.Speaker, I would like a chance to speak. I think that I have a very civil attitude, and when my hon. friends are speaking, I let them do so without interruptions. I therefore ask them to be quiet and tactful and to let me speak.

I was saying that for the Social Credit Party, there is only one solution, and that is compensated discount. What does compensated discount mean? It means additional purchasing power. With this additional purchasing power, the consumer can meet a greater number of his needs, which means a greater demand for the producer and more work to meet this demand. This is quite logical!

In these days, production is not a problem. Here is the proof. In spite of an average unemployment rate of 10 per cent or more in the labour force, we produce so much that there are surpluses. The true problem is consumption, but unfortunately taxes, levies and commitments of all sorts reduce the purchasing power of consumers. And when less is consumed, surpluses accumulate, and this results in unemployment.

In 1974, 1975 and 1976, there have been complaints that unemployment will cost the state $4 or $5 billion. Why not have a more human and more realistic program while providing work for the unemployed and making them do profitable work, like building senior citizen or low income housing, helping farmers, building roads, since we know that we all need roads, protecting wildlife and cleaning our beaches. I come from the Gaspe Peninsula, where there are beautiful beaches. Unfortunately, the tides often leave behind them seaweeds and uprooted plants that naturally mar their beauty. Our unemployed, who are paid to do nothing, could easily be sent there where, doing useful and pleasant work, they would regain their dignity.

If the government really wants to fight inflation, it must take whatever steps are necessary to make sure that Canadian workers do not lose their taste for work, and keep their pride and dignity. You do not increase production and develop a country by paying men and women to twiddle their thumbs. The surest way of killing a human being, morally or physically, is to pay him to remain idle. Those then, Mr. Speaker, are ways of reducing unemployment and allowing the unemployed to build instead of destroy. If such an idea can be applied by good governments, I am convinced the result will be marvellous and for the betterment of all Canadians.

The government would be killing two birds with one stone: it would stave off inflation and gild Canadian patriotis manew. That, Mr. Speaker, is the objective of the party I represent.

Mr. Speaker, may I call it ten o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

Adjournment Debate

CANADIAN BROADCASTING CORPORATION—REDUCTION IN FARM BROADCASTING—POSITION OF MINISTER

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I rise to speak tonight because there is something seriously wrong with CBC farm programming, and especially with its radio farm news coverage. First the quantity of broadcasting hours has been diminishing gradually but steadily over the years. In Toronto at station CBL the reduction of air time has been 50 per cent in the last ten years. Second, the quality of broadcasting has suffered a similar fate. Coverage of major agricultural events has diminished or disappeared, replaced by quasi agricultural matters under the guise of farm broadcasting. Third, I believe there is a personnel problem. At one time not very long ago the CBC farm staff was absolutely outstanding. Because of a series of policy changes, according to my information, the CBC has lost some excellent people and the morale, among those remaining, is at an all time low.

● (2200)

Finally the CBC, in my opinion, because possibly of its emphasis on decentralization has ignored its national responsibility. I do not quarrel particularly with the need to develop regional broadcasting. What the corporation has overlooked is the value of a national farm perspective.

Many aspects of agriculture in the prairies, for example, have a direct effect on the farm producers of my area of Perth-Wilmot. May I quote the recent bulletin of the Canadian Broadcasting League which outlined the Canadian Federation of Agriculture's position in this regard:

> The loss of a national thrust to agricultural programming is very unfortunate when there is such an urgent need for national understanding and federal-provincial co-operation to make national policies and programs effective.

On February 27, because of a steadily increasing number of complaints across Canada, I asked the Minister of Agriculture (Mr. Whelan) what he was doing with respect to restoring CBC radio farm news broadcasting to a reasonable level, in terms of both quality and quantity. The minister in reply said in part:

> I think it is deplorable that they—the CBC—are curtailing farm broadcasting especially in the Toronto area.

While I do not always agree with the Minister of Agriculture, I certainly am in complete accord with him on this issue. In my opinion the CBC has abrogated its responsibilities in terms of its obligation not only to farm listeners but to many thousands of city dwellers as well who are keenly interested in agricultural issues because of their importance in today's economy.

Therefore, also on February 27, I asked the Secretary of State (Mr. Faulkner), to whom the CBC is responsible, if he favoured that corporation's policy, that is, the downgrading and gradual elimination of radio farm news, because the CBC regards such programs as "ghetto" broadcasting, according to some press reports. The Secretary of State in reply suggested I raise the matter with CBC officials when they bring their estimates before the appropriate standing committee and I certainly intend to do just that; however, as the Secretary of State knows full well, when we are studying such estimates in committee we do not have the time to examine, in sufficient detail, CBC broadcasting policies. We are lucky if we have any more

than two or three hours to study CBC proposed expenditures of almost $416 million.

I suggest tonight to the Secretary of State a course of action which I hope will be acceptable to him, his cabinet colleagues and to all hon. members. I suggest a course of action that has good precedent. The Secretary of State will remember that some two or three years ago the CBC reduced or eliminated broadcasting its Gaelic programs in certain parts of the maritimes. That matter, at the instigation of a member of the opposition, was referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts where, in an atmosphere of concern, diligence and non-partisanship, it was resolved. That was a good precedent and one that, in my opinion, is applicable to the situation with regard to farm news broadcasting.

The situation is obviously of concern to the Minister of Agriculture who calls it deplorable. The situation is obviously of concern to the Secretary of State who, on February 27, told me that the government's concern has been communicated to the CBC. Such being the case, I urge that the matter be referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts. I am prepared to instigate this if I can detect some willingness on the government's part to agree that the whole matter of CBC farm broadcasting be aired thoroughly in committee.

I believe that this, first, would be responsive to the concern and complaints expressed by many radio listeners in various parts of Canada. Second, I believe committee hearings would be a responsible course of action. I can put it no better than the editorial in a recent edition of "Farm and Country" which said in part:

> The issue really goes deeper than actual farm programming. Basically, it is one of who really determines policies that are in the best interests of the general public. Certainly, Secretary of State Hugh Faulkner, who has the CBC under his wing, must intervene, as must Agriculture Minister Eugene Whelan. Also we urge all our M.P.s in Ottawa to take up the cudgel in defence of good CBC farm and consumer coverage.

I, for one, and I am sure there are many other hon. members, am willing to accept this challenge because I believe it is important and I believe that it is urgent.

The Minister of Agriculture seems to believe that privately owned radio stations should replace the CBC in farm broadcasting. He said on February 27:

> So, if the private sector can do this, and maybe better than the CBC, more power to them.

That possibly is true, and the broadcasting committee should hear evidence and witnesses in this regard from both the CBC and private stations. Mr. Speaker, thank you for permitting me these few minutes to draw to the attention of my colleagues in the House this problem which is a national and a serious one, but, more important, one with which we are capable of coming to grips. I look forward with optimism to the Secretary of State's reaction to my proposal.

Miss Coline Campbell (Parliamentary Secretary to Secretary of State): Mr. Speaker, I am informed by the CBC that no such cutback in CBC material directed to rural listeners has occurred. In some instances the actual time of presentation of the agricultural material within the noon hour period has been adjusted to reflect the listening habits within that region, but in all cases CBC maintains the same service to rural listeners in the early morning, throughout the noon hour period, and in many instances with late market reports in the late afternoon.

In addition, within the past 18 months CBC radio news has appointed its first agricultural specialist, Mr. Glenn Powell, and this appointment has resulted in increased agricultural coverage in mainstream programming during those periods of the day when CBC Radio enjoys its highest audiences, for example, "The Worlds at Eight and Six", "Sunday Magazine," and so on.

The CBC through its management has been engaged recently in meetings with such organizations as the Canadian Federation of Agriculture and the Ontario Federation of Agriculture, with a view to assessing and improving its service to rural listeners.

There is in every region a report and analyses on agricultural matters following the 6:30 news in the morning. I can speak personally of one radio station in my area. On Monday morning when I am on the road back here I listen to one of the agricultural representatives who does a very good job. There is definite market and other specific information for farmers between 12 noon and one o'clock, and frequently between one and two p.m. more extended coverage of agricultural concerns either through reports or phone-in programs, or both.

An attempt is also made to link agricultural and consumer information in order to give urban listeners a better understanding of the food cycle.

In addition, as has already been mentioned, CBC radio provides late afternoon market reports before "The World at Six". Because of the changes in radio broadcasting patterns generally over the past ten years, agricultural material tends to occur in many parts of the schedule where it did not appear a decade ago, for example "As It Happens" and other national programs.

However, as this extension into other program areas has occurred, CBC has always retained the essential agricultural information which we know that our rural listeners require in the noon hour period. One example of this extension has been the development of two syndication services. One of these contains general daily agricultural items for broadcast on all stations and the other is produced from Ottawa by the national agricultural representative, Mr. George Price, and is tailored specifically to the needs and interests of rural listeners in all points of the country.

I remind the House that the main estimates will soon be before the committee until the end of May. As the hon. member mentioned, perhaps during that time he can discuss further his questions with representatives of the CBC.

HEALTH—REQUEST FOR EXPANSION OF PILOT PROJECT FOR SCHOOL MILK PROGRAM

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, it grieves me that we in parliament seem to have lost all perspective of our responsibility to Canadians. One most grievous area of concern prompts my appearance here tonight to debate my question addressed to the Minister of National Health and Welfare (Mr. Lalonde) on March 2 with regard to the plight of hundreds of thousands

of Canadian children who are undernourished. More important, the government could take great strides to correct this deplorable situation with a little common sense, human compassion, and understanding for the youth of our country who are victims of poverty through no fault of their own.

My question that day was prompted by an announcement by the Canadian Dairy Commission that there were 400 million pounds of surplus milk products and that they were in a dilemma with regard to finding methods of disposing of it, either offering it to communist countries for less than 14 cents a pound after paying producers 64 cents a pound or, alternatively, selling the surplus as animal food.

● (2210)

I have to wonder, and indeed it is impossible for me to realize, that the government is worried how to dispose of the surplus when to use just one example, the answer is right in front of its eyes. I refer to the National Council of Welfare report on children in poverty, which gives figures indicating that 1.6 million Canadian children are living in poverty. The simple answer is, as I have said on several occasions, to introduce a national school food program, already the subject of study by various provinces.

I feel very strongly about the alarming and frightening facts brought out in the report entitled "Poor Kids." This report should be read by every member of parliament. More, it should be read by all those in our bureaucracy who spend so many millions on such programs as Sports Canada or Recreation Canada. They seem to think the road to success is to produce champions who win gold medals, by directing all efforts to the few who, thank God, happen to have the basic attributes to be developed to that stage where they can compete.

I ask the question: what do we do with those one and a half million of our children who don't have the basic start in life to be able to participate in sports because they happen to be poor? I should like to refer to only one paragraph of that report to emphasize that they either don't know, or don't care to realize that the answer to ensuring a physically fit Canada is not to produce a few champions but to ensure the physical development of all Canadians. The championships and the gold medals will then take care of themselves.

I wish to quote from a paragraph in the report as follows:

> School is where the child of the poor ... who is restless ... cannot concentrate ... is cranky and sleepy ... is seen as a case for the psychologist ... when what he needs is a real breakfast or lunch ... and not an analyst's designation as a problem child.

The reason he falls within this category is because he is not getting the fundamental, basic nutrition, either because his parents are too poor to provide the proper food or are unaware of what a child needs to eat to build up his or her young body and mind properly.

Commenting on representation with respect to a school food program, the minister advised me that pilot projects were taking place in two of the eastern provinces. I found that one project in Prince Edward Island is operating on a research study grant financed by the federal government and is being undertaken by the University of Prince Edward Island, with three schools involved, as are many of the other provinces in Canada. Many individual schools are exploring the best methods of initiating school lunch programs. But I say to the minister that it is the responsibility of the federal government to take the lead in implementing a national school food program for one fundamental reason—to ensure the proper physical development of children who are the victims of poverty or lack of parental guidance and concern.

I might say, Mr. Speaker, that I became very disturbed when I received in my office a fancy folder entitled "The Fit Kit", which is designed to show adult Canadians how to keep fit, and I say to the minister that we need a Kit on Youth Canada or Nutrition Canada. I also say that in order to have a strong Canada we must concentrate more effort on our youth, even to the point of establishing a ministry of youth.

The frightening and embarrassing situation which exposed the 400 million pounds of milk product surplus had its day in court on March 2 and, unfortunately, was not the sexiest of topics with which we in parliament are concerned. But I have to say that it is a blemish on government and even on this parliament that such a topic is passed over so lightly by each and every one of us here. I conclude by making this plea: In view of the government's responsibility to all Canadians, whether they be rich or poor, and in view of the disturbing number of under-nourished children in Canada and the consequence this will have on the quality of future Canadians, the government should provide emergency assistance, making use of the known surplus of milk products, and create immediately a food distribution program in all Canadian schools to raise the nutritional level of Canada's poor children and ensure thereby the discharge of our responsibility to Canada's future.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, as far as the government is concerned let me assure the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) that this is not a subject that the government regards lightly. There is no moral defence to the wasting of enormous quantities of surplus skim milk powder or its apparent spoilage, not only because the world is full of malnourished people but because in our own country, as the hon. member has noted, there are far too many of our own children suffering from inadequate and improper nutrition.

I want to explain to the hon. member that the surplus milk we are talking about is not a permanent stock. It is not a surplus that will endure and upon which a sensible long-term or even short-term program can be built. It is a temporary surplus. It is a surplus that should never really have come into existence and which will not exist in the future.

The Government of Canada is very concerned about the nutrition of our children. At present various initiatives are under way. For example, guidelines for school lunch programs, developed in collaboration with provincial health officials, are nearing completion and will be available for distribution this coming summer. In addition, in collaboration with the government of Alberta, an evaluation is being conducted of a school lunch program for native children, and this evaluation is in its third year. Also a

national health grant of $90,000 has been awarded to the University of Prince Edward Island to evaluate the effectiveness of a school lunch and nutrition education program. We are looking into ways of supplementing the nutrition of Canadian children.

I want to point out to the hon. member that the skim milk powder to which he is referring is not free. It is not even the property of the Government of Canada, but the property of the producers. If we were to decide to take that property from them and allocate it to some national program, this has to be done on the basis of its value. It has to be bought. When one considers buying it, one has to ask: is skim milk powder the right thing to buy in order to meet the nutritional needs of the young children of Canada?

Skim milk powder is not an attractive food. Its nutritional value is undoubted, but as we can see from the market it is not something that is in great demand. When one is considering having a reserve and allocating it to this program, one has to think of other alternatives. What else can we use? In what other ways might we best proceed to deal with this problem?

I simply note in closing that on this important question we must rely very heavily under our constitution on the jurisdiction of the provinces. We are in the process of developing a new social services act, but this act will not change the fundamental constitutional responsibility of the provinces to determine the type of programs and the type of social services that are to be purchased within the provinces for people. We are bound by their decisions.

TRANSPORT—PROPOSED REMOVAL OF SUBSIDY ON EXPORT FLOUR—REQUEST FOR RECONSIDERATION

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, it is a pleasure to see you, the hon. member for Mercier (Mr. Boulanger), gracing the chair this evening. If I were not caught within the seven minute limit I would recall at some length my satisfaction and pleasure at this event and our association as "old boy speakers" of the twenty-ninth parliament of Canada.

● (2220)

Now, sir, in a few weeks time we are likely to be told that Russia is seriously reconsidering a deal under which, in normal circumstances, that country would purchase 375,000 tons of Canadian flour this year. How should such a situation that I forecast come about? The answer is that recently the government announced that its subsidy on the movement of flour and grain for export through eastern ports, that is, Montreal, Saint John, and Halifax, would be abolished. Presumably this also would mean that the hold-down on floor rates which has existed since September 30, 1966, would also be abolished.

This policy change has come without warning to the flour milling industry of Canada, and I owe most of my speech to the research of the Canadian National Millers Association and its brief, as presented by Mr. J. F. Blakney, its chairman, to the Minister of Transport (Mr. Lang) and other ministers of the government.

This is a serious situation, Sir, and the significance of the decision is that it means that perhaps we will see a rail rate increase of from $17.64 to $22.05 per metric ton on flour

[Mr. Kaplan.]

exports. When Canadian millers went to argue with those hard nosed and hard headed Russian importers they were told very flatly that if they came along with an increase in the cost of Canadian flour, because of Canadian freight rate changes, they were going to be in for great difficulties indeed.

How serious is this matter? In 1954, 21 years ago, Canadian millers were exporting over 20 million one hundred weight of flour annually, about 31 per cent of the world trade. Twenty years or so later that figure dropped to about 8.5 million hundred weight, or 11 per cent of the world flour trade. That is a substantial decline indeed.

I should like to recall briefly the circumstances under which this help to the export flour trade originally came about. It was established first in 1961 by the Diefenbaker government, but it was continued by the Pearson government, for four principal reasons; to encourage the continued use of eastern ports, to help keep Canadian flour companies competitive in world markets, to promote and assist in the development and expansion of Canada's grain industry, and to benefit the Canadian economy by providing mill, transportation and port employment as well as helping Canada's balance of trade position.

Let me quote from the brief given to the minister as follows:

> The implications of the cessation of the subsidy are clear. Perhaps we can demonstrate with one example. The present compensatory rate for flour exports from a bay port mill to Halifax is $1.109 per 100 lbs. Of this amount the milling industry pays $.3975 and the federal government through the payment of assistance to the railways $.7115. The projected rail rate for 1976 (the railways estimate) is $1.242 per 100 lbs.
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> This will mean a net cost increase of $.8445 per 100 lbs. For Canadian millers; in other words, a 212 per cent increase in rail rate costs which will be added to the cost of export flour.

What will be the practical results? I have noted some of these, and I am sure there will be more, totalling over $100 million. First, Canada will lose out in competition with the United States and the European economic community because they do have subsidies, which no longer will be our case. We are likely, as a practical example, to see that contract with Russia go down the drain.

Secondly, the elimination of the subsidy could mean the loss of $28 million in what economists call "added value processing activities," most of this occurring in depressed areas of our country, which perforce would become even more depressed. Thirdly, there is the effect on the railways, pilotage and dock labour, and the like. The figures there are in the tens of millions of dollars.

Fourth, there would be more plant closures in the milling industry which worked at 76.8 per cent capacity in 1975, as well as more layoffs of the 3,000 personnel directly engaged in that industry.

Fifth, because a number of mills would be operated at less than capacity turning out our domestic flour one can only assume that flour would have to go up in price.

Finally, Sir, in my own area the devastating effect on morale at the Atlantic ports is something about which I occasionally have nightmares. I find it very difficult to put it into language, but I know that for many longshoremen and other labour people on the dockside in Halifax, and I am sure also in Saint John and probably in Montreal, the devastating effect is just beginning to make itself felt.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the removal of the subsidy on export flour is of course related to the repeal of Section 272 of the Railway Act, Atlantic and East rates. The minister, in referring to the depressed nature of the world trade in flour, has noted that this has occurred in spite of the subsidies and is in fact totally unrelated to them. Since the trend is toward national self-sufficiency in milling capacity throughout the world, the prospects for expansion of existing export levels or their retention in the medium term do not appear favourable. The minister had none the less carefully considered representations made to him by the Canadian National Millers' Association but does not feel that a case has been made for the continuation of the subsidy.

Motion agreed to and the House adjourned at 10.28 p.m.

END OF VOLUME XI